

5631, *supra*; which was ordered to lie on the table.

SA 4834. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4835. Mrs. CLINTON (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4836. Mr. SMITH submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4837. Mr. BENNETT submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4838. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4839. Mr. OBAMA submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4840. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4841. Mr. ALLEN (for himself and Mr. WARNER) submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4842. Mr. KYL (for himself, Mr. WYDEN, and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4843. Mr. KENNEDY (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4844. Mr. SESSIONS (for himself, Mr. WARNER, and Mr. NELSON, of Nebraska) submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4845. Mr. PRYOR (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4846. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4847. Mr. REED submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4848. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4849. Mr. BOND submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

SA 4850. Mr. LAUTENBERG (for himself, Mr. HARKIN, Ms. STABENOW, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. MENENDEZ, Ms. MIKULSKI, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, *supra*; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 4762. Mr. STEVENS proposed an amendment to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:
SEC. _____. The Secretary of Defense shall submit to the congressional defense committees, at the same time the budget of the President for fiscal year 2008 is submitted to Congress pursuant to section 1105(a) of title 31, United States Code, a report setting forth the following:

(1) A plan to procure medical countermeasures for purposes of treating forward deployed members of the Armed Forces against the lethal effects of acute radiation syndrome, including neutropenia and thrombocytopenia.

(2) An identification of the countermeasures required to protect members of the Armed Forces in the event of a nuclear or bioterrorist attack.

(3) A plan for the forward deployment of the countermeasures identified under paragraph (2), including an assessment of the costs associated with implementing such plan.

SA 4763. Mrs. CLINTON (for herself, Mr. LIEBERMAN, Mr. LAUTENBERG, and Mr. DURBIN) submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:
SEC. 8109. (a) FUNDING FOR LONGITUDINAL STUDY ON TRAUMATIC BRAIN INJURY INCURRED BY MEMBERS OF THE ARMED FORCES IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.—Of the amount appropriated or otherwise made available by title V under the heading “DEFENSE HEALTH PROGRAM”, up to \$5,000,000 may be available for a longitudinal study on traumatic brain injury incurred by members of the Armed Forces in Operation Iraqi Freedom and Operation Enduring Freedom.

(b) FUNDING FOR TRAINING CURRICULA FOR FAMILY CAREGIVERS ON CARE AND ASSISTANCE FOR MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES WITH TRAUMATIC BRAIN INJURY INCURRED IN OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM.—

(1) OPERATION AND MAINTENANCE, ARMY, FUNDS.—Of the amount appropriated or otherwise made available by title II under the heading “OPERATION AND MAINTENANCE, ARMY”, up to \$800,000 may be available for training curricula for family caregivers on care and assistance for members and former members of the Armed Forces with traumatic brain injury incurred in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) OPERATION AND MAINTENANCE, MARINE CORPS, FUNDS.—Of the amount appropriated or otherwise made available by title II under the heading “OPERATION AND MAINTENANCE, MARINE CORPS”, up to \$200,000 may be available for training curricula for family caregivers on care and assistance for members and former members of the Armed Forces with traumatic brain injury incurred in Operation Iraqi Freedom or Operation Enduring Freedom.

SA 4764. Ms. MIKULSKI (for herself, Mr. SARBANES, Mr. KENNEDY, Mr. AKAKA, Mr. LIEBERMAN, Mr. DURBIN, Mr. KERRY, and Mr. HARKIN) submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 218, between lines 6 and 7, insert the following:

SEC. 8109. None of the funds appropriated or otherwise made available by this Act may be used to enter into or carry out a contract for the performance by a contractor of any base operation support service at Walter Reed Army Medical Hospital pursuant to a private-public competition conducted under Office of Management and Budget Circular A-76 that was initiated on June 13, 2000, and has the solicitation number DADA 10-03-R-0001.

SA 4765. Mr. KENNEDY (for himself, Ms. COLLINS, Mr. BINGAMAN, Mr. ROBERTS, Mr. KERRY, Mr. REED, Mr. FEINGOLD, Mr. BAUCUS, Ms. STABENOW, Mrs. CLINTON, Mr. LIEBERMAN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:
SEC. 8109. (a) ARMY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY” is hereby increased by \$12,000,000.

(2) AVAILABILITY FOR UNIVERSITY RESEARCH INITIATIVES.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, as increased by paragraph (1), up to \$12,000,000 may be available for Program Element 0601103A for University Research Initiatives.

(b) NAVY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY” is hereby increased by \$13,000,000.

(2) AVAILABILITY FOR UNIVERSITY RESEARCH INITIATIVES.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY”, as increased by paragraph (1), up to \$13,000,000 may be available for Program Element 0601103N for University Research Initiatives.

(c) AIR FORCE SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE” is hereby increased by \$5,000,000.

(2) AVAILABILITY FOR UNIVERSITY RESEARCH INITIATIVES.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE”, as increased by paragraph (1), up to \$5,000,000 may be available for Program Element 0601103F for University Research Initiatives.

(d) SMART NATIONAL DEFENSE EDUCATION PROGRAM.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE” is hereby increased by \$9,000,000.

(2) AVAILABILITY FOR SMART NATIONAL DEFENSE EDUCATION PROGRAM.—Of the amount appropriated by title IV under the heading

“RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE”, as increased by paragraph (1), up to \$9,000,000 may be available for Program Element 0601120D8Z for the SMART National Defense Education Program.

(e) DARPA UNIVERSITY RESEARCH PROGRAM IN COMPUTER SCIENCE AND CYBERSECURITY.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE” is hereby increased by \$6,000,000.

(2) AVAILABILITY FOR DARPA PROGRAM IN COMPUTER SCIENCE AND CYBERSECURITY.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE”, as increased by paragraph (1), up to \$6,000,000 may be available for Program Element 0601101E the Defense Advanced Research Projects Agency Program in Computer Science and Cybersecurity.

(f) OFFSET.—The amount appropriated by title II under the heading “OPERATION AND MAINTENANCE, DEFENSE-WIDE” is hereby reduced by \$45,000,000.

SA 4766. Mr. INOUE submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:
SEC. 8109. Of the amount appropriated or otherwise made available by title II under the heading “OPERATION AND MAINTENANCE, ARMY”, up to \$500,000 may be available for the United States Army Center of Military History to support a traveling exhibit on military experience in World War II.

SA 4767. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:
SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, up to \$1,000,000 may be available for Program Element 0602105A for Thermoplastic Composite Body Armor research.

SA 4768. Mr. CORNYN (for himself, Mr. KYL, Mr. BURNS, and Mr. ISAKSON) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the appropriate place, insert the following:

TITLE

BORDER SECURITY AND IMMIGRATION REFORM

CHAPTER 1—DEPARTMENT OF HOMELAND SECURITY

UNITED STATES VISITOR AND IMMIGRATION STATUS INDICATOR TECHNOLOGY

For an additional amount for “United States Visitor and Immigration Status Indicator Technology” to accelerate biometric database integration and conversion to 10-

print enrollment, \$60,000,000, to remain available until expended: *Provided*, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

CUSTOMS AND BORDER PROTECTION

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$173,000,000, to remain available until September 30, 2007: *Provided*, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

AIR AND MARINE INTERDICTION, OPERATIONS, MAINTENANCE, AND PROCUREMENT

For an additional amount for “Air and Marine Interdiction, Operations, Maintenance, and Procurement” to replace air assets and upgrade air operations facilities, \$560,000,000, to remain available until expended: *Provided*, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

CONSTRUCTION

For an additional amount for “Construction”, \$2,155,100,000, to remain available until expended; of which not less than \$1,628,000,000 shall be for the construction of 370 miles of double-layered fencing along the international border between the United States and Mexico; of which not less than \$507,100,000 shall be for the construction of 461 miles of vehicle barriers along the international border between the United States and Mexico; and of which not less than \$20,000,000 shall be for construction associated with the hiring of 500 border patrol agents: *Provided*, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

IMMIGRATION AND CUSTOMS ENFORCEMENT

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$196,500,000, to remain avail-

able until September 30, 2007; of which not less than \$38,000,000 shall be for the hiring of 200 investigators and associated support for alien smuggling investigations; of which \$113,000,000 shall be for the hiring of 600 investigators and associated support for work-site enforcement; of which \$45,500,000 shall be for 1,300 detention beds, personnel, and associated support: *Provided*, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

UNITED STATES COAST GUARD

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For an additional amount for “Acquisition, Construction, and Improvements” for acquisition, construction, renovation, and improvement of vessels, aircraft, and equipment, \$416,000,000, to remain available until expended: *Provided*, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES

For an additional amount for “United States Citizenship and Immigration Services” for the development and the implementation of the Electronic Employment Verification System, \$400,000,000: *Provided*, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: *Provided further*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

GENERAL PROVISIONS—THIS TITLE

Notwithstanding any other provision in law, the transfers and programming conditions of the Department of Homeland Security Appropriations Act, 2007 shall apply to this title.

CHAPTER 2—DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

ADMINISTRATIVE REVIEW AND APPEALS

For an additional amount for “Administrative Review and Appeals”, \$2,600,000, to remain available until September 30, 2007: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for “Salaries and Expenses, General Legal Activities”, \$2,600,000, to remain available until September 30, 2007: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For an additional amount for “Salaries and Expenses, United States Attorneys”, \$2,600,000, to remain available until September 30, 2007: *Provided*, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

SA 4769. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE”, up to \$2,000,000 may be available for Gas Chromatographic Mass Spectrometers for Weapons of Mass Destruction Civil Support Teams.

SA 4770. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. Of the amount appropriated or otherwise made available by title III under the heading “OTHER PROCUREMENT, NAVY”, up to \$3,000,000 may be available for the Man Overboard Identification System (MOBI) program.

SA 4771. Mr. FRIST (for himself, Mr. ALEXANDER, and Mr. ALLEN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. Notwithstanding the first section of Public Law 85-804 (50 U.S.C. 1431), in the event a notice on the modification of a contract described in that section is submitted to the Committees on Armed Services of the Senate and the House of Representatives by the Army Contract Adjustment Board during the period beginning on July 28, 2006, and ending on the date of the adjournment of the 109th Congress sine die, such contract may be modified in accordance with such notice commencing on the earlier of—

(1) the date that is 60 calendar days after the date of such notice; or

(2) the date of the adjournment of the 109th Congress sine die.

SA 4772. Mr. CARPER (for himself and Mr. MCCAIN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

On page 218, between lines 6 and 7, insert the following:

SEC. 8109. PROHIBITION ON PAYMENT OF AWARD FEES TO DEFENSE CONTRACTORS IN CASES OF CONTRACT NON-PERFORMANCE.

None of the funds appropriated or otherwise made available by this Act may be obligated or expended to provide award fees to any defense contractor for performance that does not meet the requirements of the contract.

SA 4773. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title IX, add the following:

SEC. 9012. Of the amount appropriated or otherwise made available by chapter 2 of this title under the heading “OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD”, up to \$6,700,000 may be available for the pilot program of the Army National Guard on the reintegration of members of the National Guard into civilian life after deployment.

SA 4774. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, up to \$1,000,000 may be available for Program Element 0602787A for blast protection research.

SA 4775. Mr. SESSIONS (for himself, Mr. KYL, and Mr. TALENT) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

On page 221, line 9, strike “\$204,000,000”, and insert “\$2,033,000,000, which shall be designated as an emergency pursuant to Section 9011 of this Act.”.

SA 4776. Mr. SALAZAR (for himself, Mr. LEVIN, and Mr. WARNER) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. _____. Of the amount appropriated or otherwise made available by title II under the heading “OPERATION AND MAINTENANCE,

AIR FORCE”, \$10,000,000 shall be available to provide the United States Northern Command with an interoperable mobile wireless communications capability to effectively communicate with Federal, State, and local authorities.

SA 4777. Mr. SMITH (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE”, up to \$4,000,000 may be available for the Transportable Transponder Landing System.

SA 4778. Mr. SMITH (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. _____. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY”, up to \$2,000,000 may be available for the Advanced Airship Flying Laboratory.

SA 4779. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) JOINT ADVERTISING, MARKET RESEARCH AND STUDIES PROGRAM.—Of the amount appropriated or otherwise made available by title II under the heading “OPERATION AND MAINTENANCE, DEFENSE-WIDE”, up to \$7,500,000 may be available for the Joint Advertising, Market Research and Studies (JAMRS) program.

(b) SUPPLEMENT NOT SUPPLANT.—The amount available under subsection (a) for the program referred to in that subsection is in addition to any other amounts available in this Act for that program.

SA 4780. Mr. ALLEN (for himself and Mr. WARNER) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. _____. (a) FUNDING FROM OPERATION AND MAINTENANCE, ARMY RESERVE, FOR OUR MILITARY KIDS PROGRAM.—Of the amount appropriated or otherwise made available by title II under the heading “OPERATION AND MAINTENANCE, ARMY RESERVE” up to \$500,000 may be available for the Our Military Kids program.

(b) FUNDING FROM OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD, FOR OUR MILITARY KIDS PROGRAM.—Of the amount appropriated or otherwise made available by

title II under the heading "OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD" up to \$1,500,000 may be available for the Our Military Kids program.

SA 4781. Mr. DURBIN (for himself, Mr. OBAMA, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY", up to \$2,000,000 may be available for the improvement of imaging for traumatic brain injuries and the adaptation of current technologies to treat brain injuries suffered in combat.

SA 4782. Mr. LEAHY (for himself and Ms. LANDRIEU) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 229, between lines 12 and 13, insert the following:

NATIONAL GUARD AND RESERVE EQUIPMENT

For an additional amount for "National Guard and Reserve Equipment", \$1,000,000,000, to remain available until September 30, 2009, with the entire amount designated as an emergency requirement pursuant to section 402 of S. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

SA 4783. Mr. SCHUMER (for himself, Mr. COLEMAN, and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 238, after line 24, add the following:

SEC. 9012. (a) Of the amount appropriated or otherwise made available by chapter 2 of this title under the heading "OPERATION AND MAINTENANCE, ARMY", up to \$15,000,000 may be made available for the procurement of hemostatic agents, including blood clotting bandages and invasive hemostatic agents, for use by members of the Armed Forces in the field.

(b) Of the amount appropriated or otherwise made available by such chapter under the heading "OPERATION AND MAINTENANCE, MARINE CORPS", up to \$5,000,000 may be made available for the procurement of hemostatic agents and invasive hemostatic agents, including blood clotting bandages, for use by members of the Armed Forces in the field.

SA 4784. Mr. COBURN (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. (a) POSTING OF CERTAIN REPORTS ON DEPARTMENT OF DEFENSE INTERNET WEBSITE.—Each report described in subsection (b) shall be posted on the Internet website of the Department of Defense for the public not later than 48 hours after the submission of such report to Congress.

(b) COVERED REPORTS.—The reports described in this subsection are the reports as follows:

(1) Each report required by a provision of this Act to be submitted by the Department of Defense to the Committees on Appropriations of the Senate and the House of Representatives.

(2) Any report required to be submitted by the Department of Defense to Congress in support of the budget of the President for fiscal year 2008 (as submitted to Congress pursuant to section 1105 of title 31, United States Code) for the Department of Defense, including any budget justification documents in support of such budget for the Department of Defense.

(c) REDACTION OF CERTAIN INFORMATION.—In posting a report on the Internet website of the Department under subsection (a), the Secretary of Defense may redact any information whose release to the public would, as determined by the Secretary, compromise the national security of the United States.

SA 4785. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 218, between lines 6 and 7, insert the following:

SEC. 8109. Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees and the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives a report—

(1) describing risk assessments performed by the Department of Defense on payments made by the Department for travel, as required under section 2 of the Improper Payments Information Act of 2002 (Public Law 107-300; 31 U.S.C. 3321 note);

(2) including an estimate, using statistically valid methods, of improper payments for travel that have been processed by the Defense Finance and Accounting Service (DFAS); and

(3) including an explanation that the methods used to perform risk assessments are statistically valid in accordance with Office of Management and Budget Memorandum 30-13 issued pursuant to the Improper Payments Information Act of 2002 (Public Law 107-300; 31 U.S.C. 3321 note).

SA 4786. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. A limitation, directive, or earmark specified in the report of the Senate to accompany H.R. 5631 of the 109th Congress, or in the report of the House of Representa-

tives to accompany H.R. 5631 of the 109th Congress, may not be treated as having been approved by both Houses of Congress unless such limitation, directive, or earmark, as the case may be, is included in the report of the committee on conference on H.R. 5631 of the 109th Congress or the joint explanatory statement of the committee on conference to accompany such report of the committee on conference.

SA 4787. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. The aggregate amount available in this Act for expenses of the Department of Defense relating to conferences in fiscal year 2007, including expenses relating to conference programs, staff, travel costs, and other conference matters, may not exceed \$70,000,000.

SA 4788. Mr. KYL proposed an amendment to amendment SA 4775 submitted by Mr. SESSIONS (for himself, Mr. KYL, and Mr. TALENT) to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

On line 2, strike "2,033,000,000" and insert "2,033,100,000"

SA 4789. Ms. STABENOW submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY", up to \$8,000,000 may be available for the Advanced Tank Armament System.

SA 4790. Mr. VOINOVICH (for himself, Mrs. CLINTON, Mr. LOTT, Mr. BINGAMAN, Mr. DEWINE, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 218, between lines 6 and 7, insert the following:

SEC. 8109. None of the funds appropriated in this Act or any other Act may be used before October 1, 2011 to implement the provision under section 9902(c)(1) of title 5, United States Code, relating to the application of the National Security Personnel System on or after October 1, 2008.

SA 4791. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes;

which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:
SEC. 8109. ENERGY SECURITY.

(a) **SHORT TITLE.**—This section may be cited as the “Transforming Energy Now Act of 2006”.

(b) **TAX CREDITS.**—

(1) **INCREASE IN ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.**—Section 30C(a) of the Internal Revenue Code of 1986 is amended by striking “30 percent” and inserting “50 percent”.

(2) **AMT RELIEF.**—

(A) **PERSONAL CREDIT.**—Paragraph (2) of section 30C(d) of the Internal Revenue Code of 1986 is amended by striking “the excess (if any) of” and all that follows and inserting “the excess of—

“(A) the sum of the regular tax liability (as defined under section 26(b)) plus the tax imposed by section 55, over

“(B) the sum of the credits allowable under subpart A and sections 27, 30, and 30B.”.

(B) **BUSINESS CREDIT AMOUNT.**—Subparagraph (B) of section 38(c)(4) of the Internal Revenue Code of 1986 is amended—

(i) in clause (i), by striking “and” at the end;

(ii) in clause (ii)(II), by striking the period at the end and inserting “, and”; and

(iii) by adding at the end the following:

“(iii) the portion of the credit under section 30C which is treated as a credit under this section by reason of section 30C(d)(1).”.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.

(c) **USE OF CAFE PENALTIES TO BUILD ALTERNATIVE FUELING INFRASTRUCTURE.**—Section 32912 of title 49, United States Code, is amended by adding at the end the following:

“(e) **ALTERNATIVE FUELING INFRASTRUCTURE GRANT PROGRAM.**—

“(1) **TRUST FUND.**—

“(A) **ESTABLISHMENT.**—There is established in the Treasury of the United States a trust fund, to be known as the Alternative Fueling Infrastructure Trust Fund (referred to in this subsection as the ‘Trust Fund’), consisting of such amounts as are deposited into the Trust Fund under subparagraph (B) and any interest earned on investment of amounts in the Trust Fund.

“(B) **TRANSFERS OF CIVIL PENALTIES.**—The Secretary of Transportation shall remit 90 percent of the amount collected in civil penalties under this section to the Trust Fund.

“(2) **ESTABLISHMENT OF GRANT PROGRAM.**—

“(A) **IN GENERAL.**—The Secretary of Energy shall obligate such sums as are available in the Trust Fund to establish a grant program to increase the number of locations at which consumers may purchase alternative transportation fuels.

“(B) **ALLOCATION TO CORPORATE AND NON-PROFIT ENTITIES.**—The Secretary shall allocate such sums from the Trust Fund as the Secretary considers appropriate to corporations (including nonprofit corporations) with demonstrated experience in the administration of grant funding. Corporations shall use funds received under this paragraph to award grants to owners and operators of fueling stations for the purpose of developing alternative fueling infrastructure for specific types of alternative fuels that can be used in at least 50,000 vehicles produced in the United States in the prior vehicle production year.

“(C) **CONSIDERATIONS.**—In making allocations under subparagraph (A), the Secretary shall—

“(i) give priority to recognized nonprofit corporations that have proven experience and demonstrated technical expertise in the

establishment of alternative fueling infrastructure;

“(ii) consider the number of vehicles produced for sale in the preceding production year capable of using each specific type of alternative fuel; and

“(iii) identify 1 primary group per alternative fuel.

“(D) **MATCHING REQUIREMENT.**—The Secretary may not allocate funds to a corporation under this paragraph unless such corporation agrees to provide \$1 of non-Federal contributions for every \$3 of Federal funding received under this paragraph.

“(E) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—A corporation may not expend more than 5 percent of the total allocation provided under this paragraph on administrative expenses.

“(F) **TECHNICAL AND MARKETING ASSISTANCE.**—Corporations receiving an allocation under subparagraph (A) shall provide grant recipients under paragraph (3) with technical and marketing assistance, including—

“(i) technical advice for compliance with applicable Federal and State environmental requirements;

“(ii) assistance in identifying alternative fuel supply sources; and

“(iii) point of sale and labeling materials.

“(3) **ADMINISTRATION OF GRANTS.**—

“(A) **DIRECT GRANTS TO FUEL STATION OWNERS AND OPERATORS.**—The Secretary of Energy shall award grants directly to owners and operators of fueling stations for the purpose of installing alternative fuel infrastructure for specific types of alternative fuels that can be used in fewer than 50,000 vehicles produced in the United States in the prior vehicle production year.

“(B) **GRANT RECIPIENT.**—Corporations receiving an allocation under paragraph (2), and the Secretary of Energy under subparagraph (A), shall award grants to owners and operators of fueling stations in an amount not greater than—

“(i) \$150,000 per site; or

“(ii) \$500,000 per entity.

“(C) **SELECTION.**—Grant recipients under this paragraph shall be selected on a formal, open, and competitive basis, based on—

“(i) the public demand for each alternative fuel in a particular county based on state registration records showing the number of vehicles that can be operated with alternative fuel; and

“(ii) the opportunity to create or expand corridors of alternative fuel stations along interstate or State highways.

“(D) **USE OF FUNDS.**—Grant funds received under this paragraph may be used to—

“(i) construct new facilities to dispense alternative fuels;

“(ii) purchase equipment to upgrade, expand, or otherwise improve existing alternative fuel facilities; or

“(iii) purchase equipment or pay for specific turnkey fueling services by alternative fuel providers.

“(E) **MATCHING REQUIREMENT.**—A recipient of a grant under this paragraph shall agree to provide \$1 of non-Federal contributions for every \$1 of grant funds received under this paragraph.

“(F) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—A grant recipient may not expend more than 3 percent of any grant provided under this paragraph on administrative expenses.

“(4) **OPERATION OF ALTERNATIVE FUEL STATIONS.**—Facilities constructed or upgraded with grant funds received under this subsection shall—

“(A) provide alternative fuel available to the public for a period of not less than 4 years;

“(B) establish a marketing plan to advance the sale and use of alternative fuels;

“(C) prominently display the price of alternative fuel on the marquee and in the station;

“(D) provide point of sale materials on alternative fuel;

“(E) clearly label the dispenser with consistent materials;

“(F) price the alternative fuel at the same margin that is received for unleaded gasoline; and

“(G) support and use all available tax incentives to reduce the cost of the alternative fuel to the lowest possible retail price.

“(5) **NOTIFICATION REQUIREMENTS.**—

“(A) **OPENING.**—Not later than the date on which each alternative fuel station begins to offer alternative fuel to the public, the grant recipient that used grant funds to construct such station shall notify the Secretary of Energy of such opening. The Secretary of Energy shall add each new alternative fuel station to the alternative fuel station locator on its Website when it receives notification under this subparagraph.

“(B) **SEMI-ANNUAL REPORT.**—Not later than 6 months after the receipt of a grant award under this subsection, and every 6 months thereafter, each grant recipient shall submit a report to the Secretary of Energy that describes—

“(i) the status of each alternative fuel station constructed with grant funds received under this subsection;

“(ii) the amount of alternative fuel dispensed at each station during the preceding 6-month period; and

“(iii) the average price per gallon of the alternative fuel sold at each station during the preceding 6-month period.

“(6) **ALTERNATIVE FUEL DEFINED.**—For the purposes of this subsection, the term ‘alternative fuel’ means—

“(A) any fuel of which at least 85 percent (or such percentage, but not less than 70 percent, as determined by the Secretary, by rule, to provide for requirements relating to cold start, safety, or vehicle functions) of the volume consists of ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, or hydrogen; or

“(B) any mixture of biodiesel and diesel fuel determined without regard to any use of kerosene that contains at least 20 percent biodiesel.”.

(d) **LOW-INTEREST LOAN AND GRANT PROGRAM FOR RETAIL DELIVERY OF E-85 FUEL.**—

(1) **PURPOSES OF LOANS.**—Section 312(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942(a)) is amended—

(A) in paragraph (9)(B)(ii), by striking “or” at the end;

(B) in paragraph (10), by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(11) building infrastructure, including pump stations, for the retail delivery to consumers of any fuel that contains not less than 85 percent ethanol, by volume.”.

(2) **PROGRAM.**—Subtitle B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941 et seq.) is amended by adding at the end the following:

“SEC. 320. LOW-INTEREST LOAN AND GRANT PROGRAM FOR RETAIL DELIVERY OF E-85 FUEL.

“(a) **IN GENERAL.**—The Secretary shall establish a low-interest loan and grant program to assist farmer-owned ethanol producers (including cooperatives and limited liability corporations) to develop and build infrastructure, including pump stations, that is directly related to the retail delivery to consumers of any fuel that contains not less than 85 percent ethanol, by volume.

“(b) **LOAN TERMS.**—

“(1) AMORTIZATION.—The repayment of a loan received under this section shall be amortized over the expected life of the infrastructure project that is being financed with the proceeds of the loan.

“(2) INTEREST RATE.—The annual interest rate of a loan received under this section shall be fixed at not more than 5 percent.

“(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.”.

(3) REGULATIONS.—As soon as practicable after the date of the enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to carry out the amendments made by this subsection.

SA 4792. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:
SEC. 8109. Of the amount appropriated or otherwise made available by title III under the heading “PROCUREMENT OF AMMUNITION, AIR FORCE”, up to \$20,000,000 may be available for the procurement of Radiation Hardened Microelectronics (HX5000).

SA 4793. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:
SEC. 8109. Of the amount appropriated or otherwise made available by title III under the heading “PROCUREMENT, MARINE CORPS”, up to \$9,500,000 may be available for the procurement of the Laser Perimeter Awareness System to improve antiterrorism and force protection functions at key Marine Corps operating locations.

SA 4794. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:
SEC. 8109. Of the amount appropriated or otherwise made available by title VI under the heading “DEFENSE HEALTH PROGRAM”, up to \$500,000 may be available for the Coordinated International Neuromuscular Research Group (CINRG).

SA 4795. Mr. REID (for himself, Mr. ROCKEFELLER, Mr. KERRY, Mr. OBAMA, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. DURBAN, Mr. SCHUMER, Ms. STABENOW, Mr. JOHNSON, and Mr. DORGAN) proposed an amendment to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of the appropriate place add the following:

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Section may be cited as the “Tax Extension Relief Act of 2006”.

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title, etc.

TITLE I—EXTENSION AND MODIFICATION OF CERTAIN TAX RELIEF PROVISIONS

Sec. 101. Deduction for qualified tuition and related expenses.

Sec. 102. Extension and modification of new markets tax credit.

Sec. 103. Election to deduct State and local general sales taxes.

Sec. 104. Extension and modification of research credit.

Sec. 105. Work opportunity tax credit and welfare-to-work credit.

Sec. 106. Election to include combat pay as earned income for purposes of earned income credit.

Sec. 107. Extension and modification of qualified zone academy bonds.

Sec. 108. Above-the-line deduction for certain expenses of elementary and secondary school teachers.

Sec. 109. Extension and expansion of expensing of brownfields remediation costs.

Sec. 110. Tax incentives for investment in the District of Columbia.

Sec. 111. Indian employment tax credit.

Sec. 112. Accelerated depreciation for business property on Indian reservations.

Sec. 113. Fifteen-year straight-line cost recovery for qualified leasehold improvements and qualified restaurant property.

Sec. 114. Cover over of tax on distilled spirits.

Sec. 115. Parity in application of certain limits to mental health benefits.

Sec. 116. Corporate donations of scientific property used for research and of computer technology and equipment.

Sec. 117. Availability of medical savings accounts.

Sec. 118. Taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.

Sec. 119. American Samoa economic development credit.

Sec. 120. Restructuring of New York Liberty Zone tax credits.

Sec. 121. Extension of bonus depreciation for certain qualified Gulf Opportunity Zone property.

Sec. 122. Authority for undercover operations.

Sec. 123. Disclosures of certain tax return information.

TITLE II—OTHER TAX PROVISIONS

Sec. 201. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.

Sec. 202. Credit for prior year minimum tax liability made refundable after period of years.

Sec. 203. Returns required in connection with certain options.

Sec. 204. Partial expensing for advanced mine safety equipment.

Sec. 205. Mine rescue team training tax credit.

Sec. 206. Whistleblower reforms.

Sec. 207. Frivolous tax submissions.

Sec. 208. Addition of meningococcal and human papillomavirus vaccines to list of taxable vaccines.

Sec. 209. Clarification of taxation of certain settlement funds made permanent.

Sec. 210. Modification of active business definition under section 355 made permanent.

Sec. 211. Revision of State veterans limit made permanent.

Sec. 212. Capital gains treatment for certain self-created musical works made permanent.

Sec. 213. Reduction in minimum vessel tonnage which qualifies for tonnage tax made permanent.

Sec. 214. Modification of special arbitrage rule for certain funds made permanent.

Sec. 215. Great Lakes domestic shipping to not disqualify vessel from tonnage tax.

Sec. 216. Use of qualified mortgage bonds to finance residences for veterans without regard to first-time homebuyer requirement.

Sec. 217. Exclusion of gain from sale of a principal residence by certain employees of the intelligence community.

Sec. 218. Treatment of coke and coke gas.

Sec. 219. Sale of property by judicial officers.

Sec. 220. Premiums for mortgage insurance.

Sec. 221. Modification of refunds for kerosene used in aviation.

Sec. 222. Deduction for qualified timber gain.

Sec. 223. Credit to holders of rural renaissance bonds.

Sec. 224. Restoration of deduction for travel expenses of spouse, etc. accompanying taxpayer on business travel.

Sec. 225. Technical corrections.

TITLE III—SURFACE MINING CONTROL AND RECLAMATION ACT AMENDMENTS OF 2006

Sec. 301. Short title.

Subtitle A—Mining Control and Reclamation

Sec. 311. Abandoned Mine Reclamation Fund and purposes.

Sec. 312. Reclamation fee.

Sec. 313. Objectives of Fund.

Sec. 314. Reclamation of rural land.

Sec. 315. Liens.

Sec. 316. Certification.

Sec. 317. Remining incentives.

Sec. 318. Extension of limitation on application of prohibition on issuance of permit.

Sec. 319. Tribal regulation of surface coal mining and reclamation operations.

Subtitle B—Coal Industry Retiree Health Benefit Act

Sec. 321. Certain related persons and successors in interest relieved of liability if premiums prepaid.

Sec. 322. Transfers to funds; premium relief.

Sec. 323. Other provisions.

TITLE I—EXTENSION AND MODIFICATION OF CERTAIN TAX RELIEF PROVISIONS

SEC. 101. DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.

(a) IN GENERAL.—Section 222(e) is amended by striking “2005” and inserting “2007”.

(b) CONFORMING AMENDMENTS.—Section 222(b)(2)(B) is amended—

(1) by striking “a taxable year beginning in 2004 or 2005” and inserting “any taxable year beginning after 2003”, and

(2) by striking “2004 AND 2005” in the heading and inserting “AFTER 2003”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 102. EXTENSION AND MODIFICATION OF NEW MARKETS TAX CREDIT.

(a) **EXTENSION.**—Section 45D(f)(1)(D) is amended by striking “and 2007” and inserting “, 2007, and 2008”.

(b) **REGULATIONS REGARDING NON-METROPOLITAN COUNTIES.**—Section 45D(i) is amended by striking “and” at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting “, and”, and by adding at the end the following new paragraph:

“(6) which ensure that non-metropolitan counties receive a proportional allocation of qualified equity investments.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 103. ELECTION TO DEDUCT STATE AND LOCAL GENERAL SALES TAXES.

(a) **IN GENERAL.**—Section 164(b)(5)(I) is amended by striking “2006” and inserting “2008”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 104. EXTENSION AND MODIFICATION OF RESEARCH CREDIT.

(a) **EXTENSION.**—

(1) **IN GENERAL.**—Section 41(h)(1)(B) is amended by striking “2005” and inserting “2007”.

(2) **CONFORMING AMENDMENT.**—Section 45C(b)(1)(D) is amended by striking “2005” and inserting “2007”.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply to amounts paid or incurred after December 31, 2005.

(b) **INCREASE IN RATES OF ALTERNATIVE INCREMENTAL CREDIT.**—

(1) **IN GENERAL.**—Subparagraph (A) of section 41(c)(4) (relating to election of alternative incremental credit) is amended—

(A) by striking “2.65 percent” and inserting “3 percent”;

(B) by striking “3.2 percent” and inserting “4 percent”;

(C) by striking “3.75 percent” and inserting “5 percent”.

(2) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply to amounts paid or incurred after December 31, 2006.

(c) **ALTERNATIVE SIMPLIFIED CREDIT FOR QUALIFIED RESEARCH EXPENSES.**—

(1) **IN GENERAL.**—Subsection (c) of section 41 (relating to base amount) is amended by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively, and by inserting after paragraph (4) the following new paragraph:

“(5) **ELECTION OF ALTERNATIVE SIMPLIFIED CREDIT.**—

“(A) **IN GENERAL.**—At the election of the taxpayer, the credit determined under subsection (a)(1) shall be equal to 12 percent of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined.

“(B) **SPECIAL RULE IN CASE OF NO QUALIFIED RESEARCH EXPENSES IN ANY OF 3 PRECEDING TAXABLE YEARS.**—

“(i) **TAXPAYERS TO WHICH SUBPARAGRAPH APPLIES.**—The credit under this paragraph shall be determined under this subparagraph if the taxpayer has no qualified research expenses in any one of the 3 taxable years preceding the taxable year for which the credit is being determined.

“(ii) **CREDIT RATE.**—The credit determined under this subparagraph shall be equal to 6 percent of the qualified research expenses for the taxable year.

“(C) **ELECTION.**—An election under this paragraph shall apply to the taxable year for

which made and all succeeding taxable years unless revoked with the consent of the Secretary. An election under this paragraph may not be made for any taxable year to which an election under paragraph (4) applies.”.

(2) **COORDINATION WITH ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.**—

(A) **IN GENERAL.**—Section 41(c)(4)(B) (relating to election) is amended by adding at the end the following: “An election under this paragraph may not be made for any taxable year to which an election under paragraph (5) applies.”.

(B) **TRANSITION RULE.**—In the case of an election under section 41(c)(4) of the Internal Revenue Code of 1986 which applies to the taxable year which includes the date of the enactment of this Act, such election shall be treated as revoked with the consent of the Secretary of the Treasury if the taxpayer makes an election under section 41(c)(5) of such Code (as added by subsection (c)) for such year.

(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply to amounts paid or incurred after December 31, 2006.

SEC. 105. WORK OPPORTUNITY TAX CREDIT AND WELFARE-TO-WORK CREDIT.

(a) **IN GENERAL.**—Sections 51(c)(4)(B) and 51A(f) are each amended by striking “2005” and inserting “2007”.

(b) **ELIGIBILITY OF EX-FELONS DETERMINED WITHOUT REGARD TO FAMILY INCOME.**—Paragraph (4) of section 51(d) is amended by adding “and” at the end of subparagraph (A), by striking “, and” at the end of subparagraph (B) and inserting a period, and by striking all that follows subparagraph (B).

(c) **INCREASE IN MAXIMUM AGE FOR ELIGIBILITY OF FOOD STAMP RECIPIENTS.**—Clause (1) of section 51(d)(8)(A) is amended by striking “25” and inserting “40”.

(d) **EXTENSION OF PAPERWORK FILING DEADLINE.**—Section 51(d)(12)(A)(ii)(II) is amended by striking “21st day” and inserting “28th day”.

(e) **CONSOLIDATION OF WORK OPPORTUNITY CREDIT WITH WELFARE-TO-WORK CREDIT.**—

(1) **IN GENERAL.**—Paragraph (1) of section 51(d) is amended by striking “or” at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting “, or”, and by adding at the end the following new subparagraph:

“(I) a long-term family assistance recipient.”.

(2) **LONG-TERM FAMILY ASSISTANCE RECIPIENT.**—Subsection (d) of section 51 is amended by redesignating paragraphs (10) through (12) as paragraphs (11) through (13), respectively, and by inserting after paragraph (9) the following new paragraph:

“(10) **LONG-TERM FAMILY ASSISTANCE RECIPIENT.**—The term ‘long-term family assistance recipient’ means any individual who is certified by the designated local agency—

“(A) as being a member of a family receiving assistance under a IV-A program (as defined in paragraph (2)(B)) for at least the 18-month period ending on the hiring date,

“(B)(i) as being a member of a family receiving such assistance for 18 months beginning after August 5, 1997, and

“(ii) as having a hiring date which is not more than 2 years after the end of the earliest such 18-month period, or

“(C)(i) as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

“(ii) as having a hiring date which is not more than 2 years after the date of such cessation.”.

(3) **INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.**—

Section 51 is amended by inserting after subsection (d) the following new subsection:

“(e) **CREDIT FOR SECOND-YEAR WAGES FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.**—

“(1) **IN GENERAL.**—With respect to the employment of a long-term family assistance recipient—

“(A) the amount of the work opportunity credit determined under this section for the taxable year shall include 50 percent of the qualified second-year wages for such year, and

“(B) in lieu of applying subsection (b)(3), the amount of the qualified first-year wages, and the amount of qualified second-year wages, which may be taken into account with respect to such a recipient shall not exceed \$10,000 per year.

“(2) **QUALIFIED SECOND-YEAR WAGES.**—For purposes of this subsection, the term ‘qualified second-year wages’ means qualified wages—

“(A) which are paid to a long-term family assistance recipient, and

“(B) which are attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such recipient determined under subsection (b)(2).

“(3) **SPECIAL RULES FOR AGRICULTURAL AND RAILWAY LABOR.**—If such recipient is an employee to whom subparagraph (A) or (B) of subsection (h)(1) applies, rules similar to the rules of such subparagraphs shall apply except that—

“(A) such subparagraph (A) shall be applied by substituting ‘\$10,000’ for ‘\$6,000’, and

“(B) such subparagraph (B) shall be applied by substituting ‘\$833.33’ for ‘\$500’.”.

(4) **REPEAL OF SEPARATE WELFARE-TO-WORK CREDIT.**—

(A) **IN GENERAL.**—Section 51A is hereby repealed.

(B) **CLERICAL AMENDMENT.**—The table of sections for subpart F of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 51A.

(f) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2005.

(2) **CONSOLIDATION.**—The amendments made by subsections (b), (c), (d), and (e) shall apply to individuals who begin work for the employer after December 31, 2006.

SEC. 106. ELECTION TO INCLUDE COMBAT PAY AS EARNED INCOME FOR PURPOSES OF EARNED INCOME CREDIT.

(a) **IN GENERAL.**—Section 32(c)(2)(B)(vi)(II) is amended by striking “2007” and inserting “2008”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 107. EXTENSION AND MODIFICATION OF QUALIFIED ZONE ACADEMY BONDS.

(a) **IN GENERAL.**—Paragraph (1) of section 1397E(e) is amended by striking “and 2005” and inserting “2005, 2006, and 2007”.

(b) **SPECIAL RULES RELATING TO EXPENDITURES, ARBITRAGE, AND REPORTING.**—

(1) **IN GENERAL.**—Section 1397E is amended—

(A) in subsection (d)(1), by striking “and” at the end of subparagraph (C)(iii), by striking the period at the end of subparagraph (D) and inserting “, and”, and by adding at the end the following new subparagraph:

“(E) the issue meets the requirements of subsections (f), (g), and (h).”, and

(B) by redesignating subsections (f), (g), (h), and (i) as subsections (i), (j), (k), and (l), respectively, and by inserting after subsection (e) the following new subsections:

“(f) **SPECIAL RULES RELATING TO EXPENDITURES.**—

“(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the issuer reasonably expects—

“(A) at least 95 percent of the proceeds from the sale of the issue are to be spent for 1 or more qualified purposes with respect to qualified zone academies within the 5-year period beginning on the date of issuance of the qualified zone academy bond,

“(B) a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue will be incurred within the 6-month period beginning on the date of issuance of the qualified zone academy bond, and

“(C) such purposes will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

“(2) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the issuer establishes that the failure to satisfy the 5-year requirement is due to reasonable cause and the related purposes will continue to proceed with due diligence.

“(3) FAILURE TO SPEND REQUIRED AMOUNT OF BOND PROCEEDS WITHIN 5 YEARS.—To the extent that less than 95 percent of the proceeds of such issue are expended by the close of the 5-year period beginning on the date of issuance (or if an extension has been obtained under paragraph (2), by the close of the extended period), the issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

“(g) SPECIAL RULES RELATING TO ARBITRAGE.—An issue shall be treated as meeting the requirements of this subsection if the issuer satisfies the arbitrage requirements of section 148 with respect to proceeds of the issue.

“(h) REPORTING.—Issuers of qualified academy zone bonds shall submit reports similar to the reports required under section 149(e).”

(2) CONFORMING AMENDMENTS.—Sections 54(1)(3)(B) and 1400N(1)(7)(B)(ii) are each amended by striking “section 1397E(i)” and inserting “section 1397E(l)”.

(c) EFFECTIVE DATES.—

(1) EXTENSION.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 2005.

(2) SPECIAL RULES.—The amendments made by subsection (b) shall apply to obligations issued after the date of the enactment of this Act pursuant to allocations of the national zone academy bond limitation for calendar years after 2005.

SEC. 108. ABOVE-THE-LINE DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) is amended by striking “or 2005” and inserting “2005, 2006, or 2007”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 109. EXTENSION AND EXPANSION OF EXPENSING OF BROWNFIELDS REMEDIATION COSTS.

(a) EXTENSION.—Subsection (h) of section 198 is amended by striking “2005” and inserting “2007”.

(b) EXPANSION.—Section 198(d)(1) (defining hazardous substance) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by adding at the end the following new subparagraph:

“(C) any petroleum product (as defined in section 4612(a)(3)).”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred after December 31, 2005.

SEC. 110. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) DESIGNATION OF ZONE.—

(1) IN GENERAL.—Subsection (f) of section 1400 is amended by striking “2005” both places it appears and inserting “2007”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods beginning after December 31, 2005.

(b) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—

(1) IN GENERAL.—Subsection (b) of section 1400A is amended by striking “2005” and inserting “2007”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to bonds issued after December 31, 2005.

(c) ZERO PERCENT CAPITAL GAINS RATE.—

(1) IN GENERAL.—Subsection (b) of section 1400B is amended by striking “2006” each place it appears and inserting “2008”.

(2) CONFORMING AMENDMENTS.—

(A) Section 1400B(e)(2) is amended—
(i) by striking “2010” and inserting “2012”, and

(ii) by striking “2010” in the heading thereof and inserting “2012”.

(B) Section 1400B(g)(2) is amended by striking “2010” and inserting “2012”.

(C) Section 1400F(d) is amended by striking “2010” and inserting “2012”.

(3) EFFECTIVE DATES.—

(A) EXTENSION.—The amendments made by paragraph (1) shall apply to acquisitions after December 31, 2005.

(B) CONFORMING AMENDMENTS.—The amendments made by paragraph (2) shall take effect on the date of the enactment of this Act.

(d) FIRST-TIME HOMEBUYER CREDIT.—

(1) IN GENERAL.—Subsection (i) of section 1400C is amended by striking “2006” and inserting “2008”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property purchased after December 31, 2005.

SEC. 111. INDIAN EMPLOYMENT TAX CREDIT.

(a) IN GENERAL.—Section 45A(f) is amended by striking “2005” and inserting “2007”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 112. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON INDIAN RESERVATIONS.

(a) IN GENERAL.—Section 168(j)(8) is amended by striking “2005” and inserting “2007”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2005.

SEC. 113. FIFTEEN-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT PROPERTY.

(a) IN GENERAL.—Clauses (iv) and (v) of section 168(e)(3)(E) are each amended by striking “2006” and inserting “2008”.

(b) TREATMENT OF RESTAURANT PROPERTY TO INCLUDE NEW CONSTRUCTION.—Paragraph (7) of section 168(e) (relating to classification of property) is amended to read as follows:

“(7) QUALIFIED RESTAURANT PROPERTY.—The term ‘qualified restaurant property’ means any section 1250 property which is a building or an improvement to a building if more than 50 percent of the building’s square footage is devoted to preparation of, and seating for on-premises consumption of, prepared meals.”

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to property placed in service after December 31, 2005.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to property placed in service after the date of the enactment of this Act.

SEC. 114. COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Section 7652(f)(1) is amended by striking “2006” and inserting “2008”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to articles brought into the United States after December 31, 2005.

SEC. 115. PARITY IN APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) AMENDMENT TO THE INTERNAL REVENUE CODE OF 1986.—Section 9812(f)(3) is amended by striking “2006” and inserting “2007”.

(b) AMENDMENT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 712(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185a(f)) is amended by striking “2006” and inserting “2007”.

(c) AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT.—Section 2705(f) of the Public Health Service Act (42 U.S.C. 300gg-5(f)) is amended by striking “2006” and inserting “2007”.

SEC. 116. CORPORATE DONATIONS OF SCIENTIFIC PROPERTY USED FOR RESEARCH AND OF COMPUTER TECHNOLOGY AND EQUIPMENT.

(a) EXTENSION OF COMPUTER TECHNOLOGY AND EQUIPMENT DONATION.—

(1) IN GENERAL.—Section 170(e)(6)(G) is amended by striking “2005” and inserting “2007”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contributions made in taxable years beginning after December 31, 2005.

(b) EXPANSION OF CHARITABLE CONTRIBUTION ALLOWED FOR SCIENTIFIC PROPERTY USED FOR RESEARCH AND FOR COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.—

(1) SCIENTIFIC PROPERTY USED FOR RESEARCH.—

(A) IN GENERAL.—Clause (ii) of section 170(e)(4)(B) (defining qualified research contributions) is amended by inserting “or assembled” after “constructed”.

(B) CONFORMING AMENDMENT.—Clause (iii) of section 170(e)(4)(B) is amended by inserting “or assembly” after “construction”.

(2) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—

(A) IN GENERAL.—Clause (ii) of section 170(e)(6)(B) is amended by inserting “or assembled” after “constructed” and “or assembling” after “construction”.

(B) CONFORMING AMENDMENT.—Subparagraph (D) of section 170(e)(6) is amended by inserting “or assembled” after “constructed” and “or assembly” after “construction”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2005.

SEC. 117. AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Paragraphs (2) and (3)(B) of section 220(i) are each amended by striking “2005” each place it appears in the text and headings and inserting “2007”.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 220(j) is amended—

(A) in the text by striking “or 2004” each place it appears and inserting “2004, 2005, or 2006”, and

(B) in the heading by striking “OR 2004” and inserting “2004, 2005, OR 2006”.

(2) Subparagraph (A) of section 220(j)(4) is amended by striking “and 2004” and inserting “2004, 2005, and 2006”.

(c) TIME FOR FILING REPORTS, ETC.—

(1) The report required by section 220(j)(4) of the Internal Revenue Code of 1986 to be made on August 1, 2005, shall be treated as timely if made before the close of the 90-day period beginning on the date of the enactment of this Act.

(2) The determination and publication required by section 220(j)(5) of such Code with respect to calendar year 2005 shall be treated as timely if made before the close of the 120-day period beginning on the date of the enactment of this Act. If the determination under the preceding sentence is that 2005 is a cut-off year under section 220(i) of such Code, the cut-off date under such section 220(i) shall be the last day of such 120-day period.

SEC. 118. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.

(a) IN GENERAL.—Section 613A(c)(6)(H) is amended by striking “2006” and inserting “2008”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2005.

SEC. 119. AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) IN GENERAL.—For purposes of section 30A of the Internal Revenue Code of 1986, a domestic corporation shall be treated as a qualified domestic corporation to which such section applies if such corporation—

(1) is an existing credit claimant with respect to American Samoa, and

(2) elected the application of section 936 of the Internal Revenue Code of 1986 for its last taxable year beginning before January 1, 2006.

(b) SPECIAL RULES FOR APPLICATION OF SECTION.—The following rules shall apply in applying section 30A of the Internal Revenue Code of 1986 for purposes of this section:

(1) AMOUNT OF CREDIT.—Notwithstanding section 30A(a)(1) of such Code, the amount of the credit determined under section 30A(a)(1) of such Code for any taxable year shall be the amount determined under section 30A(d) of such Code, except that section 30A(d) shall be applied without regard to paragraph (3) thereof.

(2) SEPARATE APPLICATION.—In applying section 30A(a)(3) of such Code in the case of a corporation treated as a qualified domestic corporation by reason of this section, section 30A of such Code (and so much of section 936 of such Code as relates to such section 30A) shall be applied separately with respect to American Samoa.

(3) FOREIGN TAX CREDIT ALLOWED.—Notwithstanding section 30A(e) of such Code, the provisions of section 936(c) of such Code shall not apply with respect to the credit allowed by reason of this section.

(c) DEFINITIONS.—For purposes of this section, any term which is used in this section which is also used in section 30A or 936 of such Code shall have the same meaning given such term by such section 30A or 936.

(d) APPLICATION OF SECTION.—Notwithstanding section 30A(h) or section 936(j) of such Code, this section (and so much of section 30A and section 936 of such Code as relates to this section) shall apply to the first two taxable years of a corporation to which subsection (a) applies which begin after December 31, 2005, and before January 1, 2008.

SEC. 120. RESTRUCTURING OF NEW YORK LIBERTY ZONE TAX CREDITS.

(a) IN GENERAL.—Part I of subchapter Y of chapter 1 is amended by redesignating section 1400L as 1400K and by adding at the end the following new section:

“SEC. 1400L. NEW YORK LIBERTY ZONE TAX CREDITS.

“(a) IN GENERAL.—In the case of a New York Liberty Zone governmental unit, there

shall be allowed as a credit against any taxes imposed for any payroll period by section 3402 for which such governmental unit is liable under section 3403 an amount equal to so much of the portion of the qualifying project expenditure amount allocated under subsection (b)(3) to such governmental unit for the calendar year as is allocated by such governmental unit to such period under subsection (b)(4).

“(b) QUALIFYING PROJECT EXPENDITURE AMOUNT.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualifying project expenditure amount’ means, with respect to any calendar year, the sum of—

“(A) the total expenditures paid or incurred during such calendar year by all New York Liberty Zone governmental units and the Port Authority of New York and New Jersey for any portion of qualifying projects located wholly within the City of New York, New York, and

“(B) any such expenditures—

“(i) paid or incurred in any preceding calendar year which begins after the date of enactment of this section, and

“(ii) not previously allocated under paragraph (3).

“(2) QUALIFYING PROJECT.—The term ‘qualifying project’ means any transportation infrastructure project, including highways, mass transit systems, railroads, airports, ports, and waterways, in or connecting with the New York Liberty Zone (as defined in section 1400K(h)), which is designated as a qualifying project under this section jointly by the Governor of the State of New York and the Mayor of the City of New York, New York.

“(3) GENERAL ALLOCATION.—

“(A) IN GENERAL.—The Governor of the State of New York and the Mayor of the City of New York, New York, shall jointly allocate to each New York Liberty Zone governmental unit the portion of the qualifying project expenditure amount which may be taken into account by such governmental unit under subsection (a) for any calendar year in the credit period.

“(B) AGGREGATE LIMIT.—The aggregate amount which may be allocated under subparagraph (A) for all calendar years in the credit period shall not exceed \$1,750,000,000.

“(C) ANNUAL LIMIT.—

“(i) IN GENERAL.—The aggregate amount which may be allocated under subparagraph (A) for any calendar year in the credit period shall not exceed the sum of—

“(I) the applicable limit, plus

“(II) the aggregate amount authorized to be allocated under this paragraph for all preceding calendar years in the credit period which was not so allocated.

“(ii) APPLICABLE LIMIT.—For purposes of clause (i), the applicable limit for any calendar year is—

“(I) in the case of calendar years 2007 through 2016, \$100,000,000,

“(II) in the case of calendar year 2017 or 2018, \$200,000,000,

“(III) in the case of calendar year 2019, \$150,000,000,

“(IV) in the case of calendar year 2020 or 2021, \$100,000,000, and

“(V) in the case of any calendar year after 2021, zero.

“(D) UNALLOCATED AMOUNTS AT END OF CREDIT PERIOD.—If, as of the close of the credit period, the amount under subparagraph (B) exceeds the aggregate amount allocated under subparagraph (A) for all calendar years in the credit period, the Governor of the State of New York and the Mayor of the City of New York, New York, may jointly allocate to New York Liberty Zone governmental units for any calendar year in the 5-year period following the credit period an amount equal to—

“(i) the lesser of—

“(I) such excess, or

“(II) the qualifying project expenditure amount for such calendar year, reduced by

“(ii) the aggregate amount allocated under this subparagraph for all preceding calendar years.

“(4) ALLOCATION TO PAYROLL PERIODS.—Each New York Liberty Zone governmental unit which has been allocated a portion of the qualifying project expenditure amount under paragraph (3) for a calendar year may allocate such portion to payroll periods beginning in such calendar year as such governmental unit determines appropriate.

“(c) CARRYOVER OF UNUSED ALLOCATIONS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), if the amount allocated under subsection (b)(3) to a New York Liberty Zone governmental unit for any calendar year exceeds the aggregate taxes imposed by section 3402 for which such governmental unit is liable under section 3403 for periods beginning in such year, such excess shall be carried to the succeeding calendar year and added to the allocation of such governmental unit for such succeeding calendar year. No amount may be carried under the preceding sentence to a calendar year after 2026.

“(2) REALLOCATION.—If a New York Liberty Zone governmental unit does not use an amount allocated to it under subsection (b)(3) within the time prescribed by the Governor of the State of New York and the Mayor of the City of New York, New York, then such amount shall after such time be treated for purposes of subsection (b)(3) in the same manner as if it had never been allocated.

“(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) CREDIT PERIOD.—The term ‘credit period’ means the 15-year period beginning on January 1, 2007.

“(2) NEW YORK LIBERTY ZONE GOVERNMENTAL UNIT.—The term ‘New York Liberty Zone governmental unit’ means—

“(A) the State of New York,

“(B) the City of New York, New York, and

“(C) any agency or instrumentality of such State or City.

“(3) TREATMENT OF FUNDS.—Any expenditure for a qualifying project taken into account for purposes of the credit under this section shall be considered State and local funds for the purpose of any Federal program.

“(4) TREATMENT OF CREDIT AMOUNTS FOR PURPOSES OF WITHHOLDING TAXES.—For purposes of this title, a New York Liberty Zone governmental unit shall be treated as having paid to the Secretary, on the day on which wages are paid to employees, an amount equal to the amount of the credit allowed to such entity under subsection (a) with respect to such wages, but only if such governmental unit deducts and withholds wages for such payroll period under section 3401 (relating to wage withholding).

“(e) REPORTING.—The Governor of the State of New York and the Mayor of the City of New York, New York, shall jointly submit to the Secretary an annual report—

“(1) which certifies—

“(A) the qualifying project expenditure amount for the calendar year, and

“(B) the amount allocated to each New York Liberty Zone governmental unit under subsection (b)(3) for the calendar year, and

“(2) includes such other information as the Secretary may require to carry out this section.

“(f) GUIDANCE.—The Secretary may prescribe such guidance as may be necessary or appropriate to ensure compliance with the purposes of this section.

“(g) TERMINATION.—No credit shall be allowed under subsection (a) for any calendar year after 2026.”.

(b) TERMINATION OF CERTAIN NEW YORK LIBERTY ZONE BENEFITS.—

(1) SPECIAL ALLOWANCE AND EXPENSING.—Section 1400K(b)(2)(A)(v), as redesignated by subsection (a), is amended by striking “the termination date” and inserting “the date of the enactment of the Tax Extension Relief Act of 2006 or the termination date if pursuant to a binding contract in effect on such enactment date”.

(2) LEASEHOLD.—Section 1400K(c)(2)(B), as so redesignated, is amended by striking “before January 1, 2007” and inserting “on or before the date of the enactment of the Tax Extension Relief Act of 2006 or before January 1, 2007, if pursuant to a binding contract in effect on such enactment date”.

(c) CONFORMING AMENDMENTS.—

(1) Section 38(c)(3)(B) is amended by striking “section 1400L(a)” and inserting “section 1400K(a)”.

(2) Section 168(k)(2)(D)(ii) is amended by striking “section 1400L(c)(2)” and inserting “1400K(c)(2)”.

(3) The table of sections for part I of subchapter Y of chapter 1 is amended by striking “1400L” and inserting “1400K”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to periods beginning after December 31, 2006.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall take effect as if included in section 301 of the Job Creation and Worker Assistance Act of 2002.

SEC. 121. EXTENSION OF BONUS DEPRECIATION FOR CERTAIN QUALIFIED GULF OPPORTUNITY ZONE PROPERTY.

(a) IN GENERAL.—Subsection (d) of section 1400N is amended by adding at the end the following new paragraph:

“(6) EXTENSION FOR CERTAIN PROPERTY.—

“(A) IN GENERAL.—In the case of any specified Gulf Opportunity Zone extension property, paragraph (2)(A) shall be applied without regard to clause (v) thereof.

“(B) SPECIFIED GULF OPPORTUNITY ZONE EXTENSION PROPERTY.—For purposes of this paragraph, the term ‘specified Gulf Opportunity Zone extension property’ means property—

“(i) substantially all of the use of which is in one or more specified portions of the GO Zone, and

“(ii) which is—

“(I) nonresidential real property or residential rental property which is placed in service by the taxpayer on or before December 31, 2009, or

“(II) in the case of a taxpayer who places a building described in subclause (I) in service on or before December 31, 2009, property described in section 168(k)(2)(A)(i) if substantially all of the use of such property is in such building and such property is placed in service by the taxpayer not later than 90 days after such building is placed in service.

“(C) SPECIFIED PORTIONS OF THE GO ZONE.—For purposes of this paragraph, the term ‘specified portions of the GO Zone’ means those portions of the GO Zone which are in any county or parish which is identified by the Secretary as being a county or parish in which hurricanes occurring during 2005 damaged (in the aggregate) more than 40 percent of the housing units in such county or parish which were occupied (determined according to the 2000 Census).”.

(b) EXTENSION NOT APPLICABLE TO INCREASED SECTION 179 EXPENSING.—Paragraph (2) of section 1400N(e) is amended by inserting “without regard to subsection (d)(6)” after “subsection (d)(2)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if

included in section 101 of the Gulf Opportunity Zone Act of 2005.

SEC. 122. AUTHORITY FOR UNDERCOVER OPERATIONS.

Paragraph (6) of section 7608(c) (relating to application of section) is amended by striking “2007” both places it appears and inserting “2008”.

SEC. 123. DISCLOSURES OF CERTAIN TAX RETURN INFORMATION.

(a) DISCLOSURES TO FACILITATE COMBINED EMPLOYMENT TAX REPORTING.—

(1) IN GENERAL.—Subparagraph (B) of section 6103(d)(5) (relating to termination) is amended by striking “2006” and inserting “2007”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to disclosures after December 31, 2006.

(b) DISCLOSURES RELATING TO TERRORIST ACTIVITIES.—

(1) IN GENERAL.—Clause (iv) of section 6103(i)(3)(C) and subparagraph (E) of section 6103(i)(7) are each amended by striking “2006” and inserting “2007”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to disclosures after December 31, 2006.

(c) DISCLOSURES RELATING TO STUDENT LOANS.—

(1) IN GENERAL.—Subparagraph (D) of section 6103(l)(13) (relating to termination) is amended by striking “2006” and inserting “2007”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to requests made after December 31, 2006.

TITLE II—OTHER TAX PROVISIONS

SEC. 201. DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.

(a) IN GENERAL.—Subsection (d) of section 199 (relating to definitions and special rules) is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

“(8) TREATMENT OF ACTIVITIES IN PUERTO RICO.—

“(A) IN GENERAL.—In the case of any taxpayer with gross receipts for any taxable year from sources within the Commonwealth of Puerto Rico, if all of such receipts are taxable under section 1 or 11 for such taxable year, then for purposes of determining the domestic production gross receipts of such taxpayer for such taxable year under subsection (c)(4), the term ‘United States’ shall include the Commonwealth of Puerto Rico.

“(B) SPECIAL RULE FOR APPLYING WAGE LIMITATION.—In the case of any taxpayer described in subparagraph (A), for purposes of applying the limitation under subsection (b) for any taxable year, the determination of W-2 wages of such taxpayer shall be made without regard to any exclusion under section 3401(a)(8) for remuneration paid for services performed in Puerto Rico.

“(C) TERMINATION.—This paragraph shall apply only with respect to the first 2 taxable years of the taxpayer beginning after December 31, 2005, and before January 1, 2008.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2005.

SEC. 202. CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY MADE REFUNDABLE AFTER PERIOD OF YEARS.

(a) IN GENERAL.—Section 53 (relating to credit for prior year minimum tax liability) is amended by adding at the end the following new subsection:

“(e) SPECIAL RULE FOR INDIVIDUALS WITH LONG-TERM UNUSED CREDITS.—

“(1) IN GENERAL.—If an individual has a long-term unused minimum tax credit for any taxable year beginning before January 1,

2013, the amount determined under subsection (c) for such taxable year shall not be less than the AMT refundable credit amount for such taxable year.

“(2) AMT REFUNDABLE CREDIT AMOUNT.—For purposes of paragraph (1)—

“(A) IN GENERAL.—The term ‘AMT refundable credit amount’ means, with respect to any taxable year, the amount equal to the greater of—

“(i) the lesser of—

“(I) \$5,000, or

“(II) the amount of long-term unused minimum tax credit for such taxable year, or

“(ii) 20 percent of the amount of such credit.

“(B) PHASEOUT OF AMT REFUNDABLE CREDIT AMOUNT.—

“(i) IN GENERAL.—In the case of an individual whose adjusted gross income for any taxable year exceeds the threshold amount (within the meaning of section 151(d)(3)(C)), the AMT refundable credit amount determined under subparagraph (A) for such taxable year shall be reduced by the applicable percentage (within the meaning of section 151(d)(3)(B)).

“(ii) ADJUSTED GROSS INCOME.—For purposes of clause (i), adjusted gross income shall be determined without regard to sections 911, 931, and 933.

“(3) LONG-TERM UNUSED MINIMUM TAX CREDIT.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘long-term unused minimum tax credit’ means, with respect to any taxable year, the portion of the minimum tax credit determined under subsection (b) attributable to the adjusted net minimum tax for taxable years before the 3rd taxable year immediately preceding such taxable year.

“(B) FIRST-IN, FIRST-OUT ORDERING RULE.—For purposes of subparagraph (A), credits shall be treated as allowed under subsection (a) on a first-in, first-out basis.

“(4) CREDIT REFUNDABLE.—For purposes of this title (other than this section), the credit allowed by reason of this subsection shall be treated as if it were allowed under subpart C.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A) is amended by striking “and 34” and inserting “34, and 53(e)”.

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “or 53(e)” after “section 35”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 203. RETURNS REQUIRED IN CONNECTION WITH CERTAIN OPTIONS.

(a) IN GENERAL.—So much of section 6039(a) as follows paragraph (2) is amended to read as follows:

“shall, for such calendar year, make a return at such time and in such manner, and setting forth such information, as the Secretary may by regulations prescribe.”.

(b) STATEMENTS TO PERSONS WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—Section 6039 is amended by redesignating subsections (b) and (c) as subsection (c) and (d), respectively, and by inserting after subsection (a) the following new subsection:

“(b) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REPORTED.—Every corporation making a return under subsection (a) shall furnish to each person whose name is set forth in such return a written statement setting forth such information as the Secretary may by regulations prescribe. The written statement required under the preceding sentence shall be furnished to such person on or before January 31 of the year following the calendar

year for which the return under subsection (a) was made.”.

(c) CONFORMING AMENDMENTS.—

(1) Section 6724(d)(1)(B) is amended by striking “or” at the end of clause (xvii), by striking “and” at the end of clause (xviii) and inserting “or”, and by adding at the end the following new clause:

“(xix) section 6039(a) (relating to returns required with respect to certain options), and”.

(2) Section 6724(d)(2)(B) is amended by striking “section 6039(a)” and inserting “section 6039(b)”.

(3) The heading of section 6039 and the item relating to such section in the table of sections of subpart A of part III of subchapter A of chapter 61 of such Code are each amended by striking “Information” and inserting “Returns”.

(4) The heading of subsection (a) of section 6039 is amended by striking “FURNISHING OF INFORMATION” and inserting “REQUIREMENT OF REPORTING”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after the date of the enactment of this Act.

SEC. 204. PARTIAL EXPENSING FOR ADVANCED MINE SAFETY EQUIPMENT.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by inserting after section 179D the following new section:

“SEC. 179E. ELECTION TO EXPENSE ADVANCED MINE SAFETY EQUIPMENT.

“(a) TREATMENT AS EXPENSES.—A taxpayer may elect to treat 50 percent of the cost of any qualified advanced mine safety equipment property as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which the qualified advanced mine safety equipment property is placed in service.

“(b) ELECTION.—

“(1) IN GENERAL.—An election under this section for any taxable year shall be made on the taxpayer’s return of the tax imposed by this chapter for the taxable year. Such election shall specify the advanced mine safety equipment property to which the election applies and shall be made in such manner as the Secretary may by regulations prescribe.

“(2) ELECTION IRREVOCABLE.—Any election made under this section may not be revoked except with the consent of the Secretary.

“(c) QUALIFIED ADVANCED MINE SAFETY EQUIPMENT PROPERTY.—For purposes of this section, the term ‘qualified advanced mine safety equipment property’ means any advanced mine safety equipment property for use in any underground mine located in the United States—

“(1) the original use of which commences with the taxpayer, and

“(2) which is placed in service by the taxpayer after the date of the enactment of this section.

“(d) ADVANCED MINE SAFETY EQUIPMENT PROPERTY.—For purposes of this section, the term ‘advanced mine safety equipment property’ means any of the following:

“(1) Emergency communication technology or device which is used to allow a miner to maintain constant communication with an individual who is not in the mine.

“(2) Electronic identification and location device which allows an individual who is not in the mine to track at all times the movements and location of miners working in or at the mine.

“(3) Emergency oxygen-generating, self-rescue device which provides oxygen for at least 90 minutes.

“(4) Pre-positioned supplies of oxygen which (in combination with self-rescue devices) can be used to provide each miner on

a shift, in the event of an accident or other event which traps the miner in the mine or otherwise necessitates the use of such a self-rescue device, the ability to survive for at least 48 hours.

“(5) Comprehensive atmospheric monitoring system which monitors the levels of carbon monoxide, methane, and oxygen that are present in all areas of the mine and which can detect smoke in the case of a fire in a mine.

“(e) COORDINATION WITH SECTION 179.—No expenditures shall be taken into account under subsection (a) with respect to the portion of the cost of any property specified in an election under section 179.

“(f) REPORTING.—No deduction shall be allowed under subsection (a) to any taxpayer for any taxable year unless such taxpayer files with the Secretary a report containing such information with respect to the operation of the mines of the taxpayer as the Secretary shall require.

“(g) TERMINATION.—This section shall not apply to property placed in service after December 31, 2008.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 263(a)(1) is amended by striking “or” at the end of subparagraph (J), by striking the period at the end of subparagraph (K) and inserting “, or”, and by inserting after subparagraph (K) the following new subparagraph:

“(L) expenditures for which a deduction is allowed under section 179E.”.

(2) Section 312(k)(3)(B) is amended by striking “or 179D” each place it appears in the heading and text thereof and inserting “179D, or 179E”.

(3) Paragraphs (2)(C) and (3)(C) of section 1245(a) are each amended by inserting “179E,” after “179D.”.

(4) The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 179D the following new item:

“Sec. 179E. Election to expense advanced mine safety equipment.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred after the date of the enactment of this Act.

SEC. 205. MINE RESCUE TEAM TRAINING TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

“SEC. 45N. MINE RESCUE TEAM TRAINING CREDIT.

“(a) AMOUNT OF CREDIT.—For purposes of section 38, the mine rescue team training credit determined under this section with respect to each qualified mine rescue team employee of an eligible employer for any taxable year is an amount equal to the lesser of—

“(1) 20 percent of the amount paid or incurred by the taxpayer during the taxable year with respect to the training program costs of such qualified mine rescue team employee (including wages of such employee while attending such program), or

“(2) \$10,000.

“(b) QUALIFIED MINE RESCUE TEAM EMPLOYEE.—For purposes of this section, the term ‘qualified mine rescue team employee’ means with respect to any taxable year any full-time employee of the taxpayer who is—

“(1) a miner eligible for more than 6 months of such taxable year to serve as a mine rescue team member as a result of completing, at a minimum, an initial 20-hour course of instruction as prescribed by the Mine Safety and Health Administration’s Office of Educational Policy and Development, or

“(2) a miner eligible for more than 6 months of such taxable year to serve as a mine rescue team member by virtue of receiving at least 40 hours of refresher training in such instruction.

“(c) ELIGIBLE EMPLOYER.—For purposes of this section, the term ‘eligible employer’ means any taxpayer which employs individuals as miners in underground mines in the United States.

“(d) WAGES.—For purposes of this section, the term ‘wages’ has the meaning given to such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section).

“(e) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2008.”.

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) is amended by striking “and” at the end of paragraph (29), by striking the period at the end of paragraph (30) and inserting “, plus”, and by adding at the end the following new paragraph:

“(31) the mine rescue team training credit determined under section 45N(a).”.

(c) NO DOUBLE BENEFIT.—Section 280C is amended by adding at the end the following new subsection:

“(e) MINE RESCUE TEAM TRAINING CREDIT.—No deduction shall be allowed for that portion of the expenses otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for the taxable year under section 45N(a).”.

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 45N. Mine rescue team training credit.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 206. WHISTLEBLOWER REFORMS.

(a) AWARDS TO WHISTLEBLOWERS.—

(1) IN GENERAL.—Section 7623 (relating to expenses of detection of underpayments and fraud, etc.) is amended—

(A) by striking “The Secretary” and inserting “(a) IN GENERAL.—The Secretary”,

(B) by striking “and” at the end of paragraph (1) and inserting “or”,

(C) by striking “(other than interest)”, and

(D) by adding at the end the following new subsection:

“(b) AWARDS TO WHISTLEBLOWERS.—

“(1) IN GENERAL.—If the Secretary proceeds with any administrative or judicial action described in subsection (a) based on information brought to the Secretary’s attention by an individual, such individual shall, subject to paragraph (2), receive as an award at least 15 percent but not more than 30 percent of the collected proceeds (including penalties, interest, additions to tax, and additional amounts) resulting from the action (including any related actions) or from any settlement in response to such action. The determination of the amount of such award by the Whistleblower Office shall depend upon the extent to which the individual substantially contributed to such action.

“(2) AWARD IN CASE OF LESS SUBSTANTIAL CONTRIBUTION.—

“(A) IN GENERAL.—In the event the action described in paragraph (1) is one which the Whistleblower Office determines to be based principally on disclosures of specific allegations (other than information provided by the individual described in paragraph (1)) resulting from a judicial or administrative hearing, from a governmental report, hearing, audit, or investigation, or from the news media, the Whistleblower Office may award such sums as it considers appropriate, but in no case more than 10 percent of the collected

proceeds (including penalties, interest, additions to tax, and additional amounts) resulting from the action (including any related actions) or from any settlement in response to such action, taking into account the significance of the individual's information and the role of such individual and any legal representative of such individual in contributing to such action.

“(B) NONAPPLICATION OF PARAGRAPH WHERE INDIVIDUAL IS ORIGINAL SOURCE OF INFORMATION.—Subparagraph (A) shall not apply if the information resulting in the initiation of the action described in paragraph (1) was originally provided by the individual described in paragraph (1).

“(3) REDUCTION IN OR DENIAL OF AWARD.—If the Whistleblower Office determines that the claim for an award under paragraph (1) or (2) is brought by an individual who planned and initiated the actions that led to the underpayment of tax or actions described in subsection (a)(2), then the Whistleblower Office may appropriately reduce such award. If such individual is convicted of criminal conduct arising from the role described in the preceding sentence, the Whistleblower Office shall deny any award.

“(4) APPEAL OF AWARD DETERMINATION.—Any determination regarding an award under paragraph (1), (2), or (3) may, within 30 days of such determination, be appealed to the Tax Court (and the Tax Court shall have jurisdiction with respect to such matter).

“(5) APPLICATION OF THIS SUBSECTION.—This subsection shall apply with respect to any action—

“(A) against any taxpayer, but in the case of any individual, only if such individual's gross income exceeds \$200,000 for any taxable year subject to such action, and

“(B) if the tax, penalties, interest, additions to tax, and additional amounts in dispute exceed \$2,000,000.

“(6) ADDITIONAL RULES.—

“(A) NO CONTRACT NECESSARY.—No contract with the Internal Revenue Service is necessary for any individual to receive an award under this subsection.

“(B) REPRESENTATION.—Any individual described in paragraph (1) or (2) may be represented by counsel.

“(C) SUBMISSION OF INFORMATION.—No award may be made under this subsection based on information submitted to the Secretary unless such information is submitted under penalty of perjury.”

(2) ASSIGNMENT TO SPECIAL TRIAL JUDGES.—

(A) IN GENERAL.—Section 7443A(b) (relating to proceedings which may be assigned to special trial judges) is amended by striking “and” at the end of paragraph (4), by redesignating paragraph (5) as paragraph (6), and by inserting after paragraph (4) the following new paragraph:

“(5) any proceeding under section 7623(b)(4), and”.

(B) CONFORMING AMENDMENT.—Section 7443A(c) is amended by striking “or (4)” and inserting “(4), or (5)”.

(3) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 (relating to general rule defining adjusted gross income) is amended by inserting after paragraph (20) the following new paragraph:

“(21) ATTORNEYS FEES RELATING TO AWARDS TO WHISTLEBLOWERS.—Any deduction allowable under this chapter for attorney fees and court costs paid by, or on behalf of, the taxpayer in connection with any award under section 7623(b) (relating to awards to whistleblowers). The preceding sentence shall not apply to any deduction in excess of the amount includible in the taxpayer's gross income for the taxable year on account of such award.”.

(b) WHISTLEBLOWER OFFICE.—

(1) IN GENERAL.—Not later than the date which is 12 months after the date of the enactment of this Act, the Secretary of the Treasury shall issue guidance for the operation of a whistleblower program to be administered in the Internal Revenue Service by an office to be known as the “Whistleblower Office” which—

(A) shall at all times operate at the direction of the Commissioner of Internal Revenue and coordinate and consult with other divisions in the Internal Revenue Service as directed by the Commissioner of Internal Revenue,

(B) shall analyze information received from any individual described in section 7623(b) of the Internal Revenue Code of 1986 and either investigate the matter itself or assign it to the appropriate Internal Revenue Service office, and

(C) in its sole discretion, may ask for additional assistance from such individual or any legal representative of such individual.

(2) REQUEST FOR ASSISTANCE.—The guidance issued under paragraph (1) shall specify that any assistance requested under paragraph (1)(C) shall be under the direction and control of the Whistleblower Office or the office assigned to investigate the matter under paragraph (1)(A). No individual or legal representative whose assistance is so requested may by reason of such request represent himself or herself as an employee of the Federal Government.

(c) REPORT BY SECRETARY.—The Secretary of the Treasury shall each year conduct a study and report to Congress on the use of section 7623 of the Internal Revenue Code of 1986, including—

(1) an analysis of the use of such section during the preceding year and the results of such use, and

(2) any legislative or administrative recommendations regarding the provisions of such section and its application.

(d) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to information provided on or after the date of the enactment of this Act.

SEC. 207. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702 is amended to read as follows:

“SEC. 6702. FRIVOLOUS TAX SUBMISSIONS.

“(a) CIVIL PENALTY FOR FRIVOLOUS TAX RETURNS.—A person shall pay a penalty of \$5,000 if—

“(1) such person files what purports to be a return of a tax imposed by this title but which—

“(A) does not contain information on which the substantial correctness of the self-assessment may be judged, or

“(B) contains information that on its face indicates that the self-assessment is substantially incorrect, and

“(2) the conduct referred to in paragraph (1)—

“(A) is based on a position which the Secretary has identified as frivolous under subsection (c), or

“(B) reflects a desire to delay or impede the administration of Federal tax laws.

“(b) CIVIL PENALTY FOR SPECIFIED FRIVOLOUS SUBMISSIONS.—

“(1) IMPOSITION OF PENALTY.—Except as provided in paragraph (3), any person who submits a specified frivolous submission shall pay a penalty of \$5,000.

“(2) SPECIFIED FRIVOLOUS SUBMISSION.—For purposes of this section—

“(A) SPECIFIED FRIVOLOUS SUBMISSION.—The term ‘specified frivolous submission’ means a specified submission if any portion of such submission—

“(i) is based on a position which the Secretary has identified as frivolous under subsection (c), or

“(ii) reflects a desire to delay or impede the administration of Federal tax laws.

“(B) SPECIFIED SUBMISSION.—The term ‘specified submission’ means—

“(i) a request for a hearing under—

“(I) section 6320 (relating to notice and opportunity for hearing upon filing of notice of lien), or

“(II) section 6330 (relating to notice and opportunity for hearing before levy), and

“(ii) an application under—

“(I) section 6159 (relating to agreements for payment of tax liability in installments),

“(II) section 7122 (relating to compromises), or

“(III) section 7811 (relating to taxpayer assistance orders).

“(3) OPPORTUNITY TO WITHDRAW SUBMISSION.—If the Secretary provides a person with notice that a submission is a specified frivolous submission and such person withdraws such submission within 30 days after such notice, the penalty imposed under paragraph (1) shall not apply with respect to such submission.

“(c) LISTING OF FRIVOLOUS POSITIONS.—The Secretary shall prescribe (and periodically revise) a list of positions which the Secretary has identified as being frivolous for purposes of this subsection. The Secretary shall not include in such list any position that the Secretary determines meets the requirement of section 6662(d)(2)(B)(i)(II).

“(d) REDUCTION OF PENALTY.—The Secretary may reduce the amount of any penalty imposed under this section if the Secretary determines that such reduction would promote compliance with and administration of the Federal tax laws.

“(e) PENALTIES IN ADDITION TO OTHER PENALTIES.—The penalties imposed by this section shall be in addition to any other penalty provided by law.”.

(b) TREATMENT OF FRIVOLOUS REQUESTS FOR HEARINGS BEFORE LEVY.—

(1) FRIVOLOUS REQUESTS DISREGARDED.—Section 6330 (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

“(g) FRIVOLOUS REQUESTS FOR HEARING, ETC.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of a request for a hearing under this section or section 6320 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.”.

(2) PRECLUSION FROM RAISING FRIVOLOUS ISSUES AT HEARING.—Section 6330(c)(4) is amended—

(A) by striking “(A)” and inserting “(A)(i)”;

(B) by striking “(B)” and inserting “(ii)”;

(C) by striking the period at the end of the first sentence and inserting “; or”;

(D) by inserting after subparagraph (A)(ii) (as so redesignated) the following:

“(B) the issue meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A).”.

(3) STATEMENT OF GROUNDS.—Section 6330(b)(1) is amended by striking “under subsection (a)(3)(B)” and inserting “in writing under subsection (a)(3)(B) and states the grounds for the requested hearing”.

(c) TREATMENT OF FRIVOLOUS REQUESTS FOR HEARINGS UPON FILING OF NOTICE OF LIEN.—Section 6320 is amended—

(1) in subsection (b)(1), by striking “under subsection (a)(3)(B)” and inserting “in writing under subsection (a)(3)(B) and states the grounds for the requested hearing”, and

(2) in subsection (c), by striking “and (e)” and inserting “(e), and (g)”.

(d) TREATMENT OF FRIVOLOUS APPLICATIONS FOR OFFERS-IN-COMPROMISE AND INSTALLMENT AGREEMENTS.—Section 7122 is amended

by adding at the end the following new subsection:

“(f) FRIVOLOUS SUBMISSIONS, ETC.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of an application for an offer-in-compromise or installment agreement submitted under this section or section 6159 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.”.

(e) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by striking the item relating to section 6702 and inserting the following new item:

“Sec. 6702. Frivolous tax submissions.”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to submissions made and issues raised after the date on which the Secretary first prescribes a list under section 6702(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

SEC. 208. ADDITION OF MENINGOCOCCAL AND HUMAN PAPILLOMAVIRUS VACCINES TO LIST OF TAXABLE VACCINES.

(a) MENINGOCOCCAL VACCINE.—Section 4132(a)(1) (defining taxable vaccine) is amended by adding at the end the following new subparagraph:

“(O) Any meningococcal vaccine.”.

(b) HUMAN PAPILLOMAVIRUS VACCINE.—Section 4132(a)(1), as amended by subsection (a), is amended by adding at the end the following new subparagraph:

“(P) Any vaccine against the human papillomavirus.”.

(c) EFFECTIVE DATE.—

(1) SALES, ETC.—The amendments made by this section shall apply to sales and uses on or after the first day of the first month which begins more than 4 weeks after the date of the enactment of this Act.

(2) DELIVERIES.—For purposes of paragraph (1) and section 4131 of the Internal Revenue Code of 1986, in the case of sales on or before the effective date described in such paragraph for which delivery is made after such date, the delivery date shall be considered the sale date.

SEC. 209. CLARIFICATION OF TAXATION OF CERTAIN SETTLEMENT FUNDS MADE PERMANENT.

(a) IN GENERAL.—Subsection (g) of section 468B, as amended by section 201 of the Tax Increase Prevention and Reconciliation Act of 2005, is amended by striking paragraph (3).

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 201 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 210. MODIFICATION OF ACTIVE BUSINESS DEFINITION UNDER SECTION 355 MADE PERMANENT.

(a) IN GENERAL.—Subparagraphs (A) and (D) of section 355(b)(3), as amended by section 202 of the Tax Increase Prevention and Reconciliation Act of 2005, are each amended by striking “and on or before December 31, 2010”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 202 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 211. REVISION OF STATE VETERANS LIMIT MADE PERMANENT.

(a) IN GENERAL.—Subparagraph (B) of section 143(l)(3), as amended by section 203 of the Tax Increase Prevention and Reconciliation Act of 2005, is amended by striking clause (iv).

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 203 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 212. CAPITAL GAINS TREATMENT FOR CERTAIN SELF-CREATED MUSICAL WORKS MADE PERMANENT.

(a) IN GENERAL.—Paragraph (3) of section 1221(b), as amended by section 204 of the Tax Increase Prevention and Reconciliation Act of 2005, is amended by striking “before January 1, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 204 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 213. REDUCTION IN MINIMUM VESSEL TONNAGE WHICH QUALIFIES FOR TONNAGE TAX MADE PERMANENT.

(a) IN GENERAL.—Paragraph (4) of section 1355(a), as amended by section 205 of the Tax Increase Prevention and Reconciliation Act of 2005, is amended by striking “10,000 (6,000, in the case of taxable years beginning after December 31, 2005, and ending before January 1, 2011)” and inserting “6,000”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 205 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 214. MODIFICATION OF SPECIAL ARBITRAGE RULE FOR CERTAIN FUNDS MADE PERMANENT.

(a) IN GENERAL.—Section 206 of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking “and before August 31, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 206 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 215. GREAT LAKES DOMESTIC SHIPPING TO NOT DISQUALIFY VESSEL FROM TONNAGE TAX.

(a) IN GENERAL.—Section 1355 (relating to definitions and special rules) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

“(g) GREAT LAKES DOMESTIC SHIPPING TO NOT DISQUALIFY VESSEL.—

“(1) IN GENERAL.—If the electing corporation elects (at such time and in such manner as the Secretary may require) to apply this subsection for any taxable year to any qualifying vessel which is used in qualified zone domestic trade during the taxable year—

“(A) solely for purposes of subsection (a)(4), such use shall be treated as use in United States foreign trade (and not as use in United States domestic trade), and

“(B) subsection (f) shall not apply with respect to such vessel for such taxable year.

“(2) EFFECT OF TEMPORARILY OPERATING VESSEL IN UNITED STATES DOMESTIC TRADE.—In the case of a qualifying vessel to which this subsection applies—

“(A) IN GENERAL.—An electing corporation shall be treated as using such vessel in qualified zone domestic trade during any period of temporary use in the United States domestic trade (other than qualified zone domestic trade) if the electing corporation gives timely notice to the Secretary stating—

“(i) that it temporarily operates or has operated in the United States domestic trade (other than qualified zone domestic trade) a qualifying vessel which had been used in the United States foreign trade or qualified zone domestic trade, and

“(ii) its intention to resume operation of the vessel in the United States foreign trade or qualified zone domestic trade.

“(B) NOTICE.—Notice shall be deemed timely if given not later than the due date (including extensions) for the corporation's tax return for the taxable year in which the temporary cessation begins.

“(C) PERIOD DISREGARD IN EFFECT.—The period of temporary use under subparagraph (A) continues until the earlier of the date of which—

“(i) the electing corporation abandons its intention to resume operations of the vessel in the United States foreign trade or qualified zone domestic trade, or

“(ii) the electing corporation resumes operation of the vessel in the United States foreign trade or qualified zone domestic trade.

“(D) NO DISREGARD IF DOMESTIC TRADE USE EXCEEDS 30 DAYS.—Subparagraph (A) shall not apply to any qualifying vessel which is operated in the United States domestic trade (other than qualified zone domestic trade) for more than 30 days during the taxable year.

“(3) ALLOCATION OF INCOME AND DEDUCTIONS TO QUALIFYING SHIPPING ACTIVITIES.—In the case of a qualifying vessel to which this subsection applies, the Secretary shall prescribe rules for the proper allocation of income, expenses, losses, and deductions between the qualified shipping activities and the other activities of such vessel.

“(4) QUALIFIED ZONE DOMESTIC TRADE.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘qualified zone domestic trade’ means the transportation of goods or passengers between places in the qualified zone if such transportation is in the United States domestic trade.

“(B) QUALIFIED ZONE.—The term ‘qualified zone’ means the Great Lakes Waterway and the St. Lawrence Seaway.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 216. USE OF QUALIFIED MORTGAGE BONDS TO FINANCE RESIDENCES FOR VETERANS WITHOUT REGARD TO FIRST-TIME HOMEBUYER REQUIREMENT.

(a) IN GENERAL.—Section 143(d)(2) (relating to exceptions to 3-year requirement) is amended by striking “and” at the end of subparagraph (B), by adding “and” at the end of subparagraph (C), and by inserting after subparagraph (C) the following new subparagraph:

“(D) in the case of bonds issued after the date of the enactment of this subparagraph and before January 1, 2008, financing of any residence for a veteran (as defined in section 101 of title 38, United States Code), if such veteran has not previously qualified for and received such financing by reason of this subparagraph.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 217. EXCLUSION OF GAIN FROM SALE OF A PRINCIPAL RESIDENCE BY CERTAIN EMPLOYEES OF THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—Subparagraph (A) of section 121(d)(9) (relating to exclusion of gain from sale of principal residence) is amended by striking “duty” and all that follows and inserting “duty—

“(i) as a member of the uniformed services,

“(ii) as a member of the Foreign Service of the United States, or

“(iii) as an employee of the intelligence community.”.

(b) EMPLOYEE OF INTELLIGENCE COMMUNITY DEFINED.—Subparagraph (C) of section 121(d)(9) is amended by redesignating clause (iv) as clause (v) and by inserting after clause (iii) the following new clause:

“(iv) EMPLOYEE OF INTELLIGENCE COMMUNITY.—The term ‘employee of the intelligence community’ means an employee (as defined by section 2105 of title 5, United States Code) of—

“(I) the Office of the Director of National Intelligence,

“(II) the Central Intelligence Agency,

“(III) the National Security Agency,

“(IV) the Defense Intelligence Agency,
“(V) the National Geospatial-Intelligence Agency,

“(VI) the National Reconnaissance Office,
“(VII) any other office within the Department of Defense for the collection of specialized national intelligence through reconnaissance programs,

“(VIII) any of the intelligence elements of the Army, the Navy, the Air Force, the Marine Corps, the Federal Bureau of Investigation, the Department of Treasury, the Department of Energy, and the Coast Guard,

“(IX) the Bureau of Intelligence and Research of the Department of State, or

“(X) any of the elements of the Department of Homeland Security concerned with the analyses of foreign intelligence information.”.

(c) **SPECIAL RULE.**—Subparagraph (C) of section 121(d)(9), as amended by subsection (b), is amended by adding at the end the following new clause:

“(vi) **SPECIAL RULE RELATING TO INTELLIGENCE COMMUNITY.**—An employee of the intelligence community shall not be treated as serving on qualified extended duty unless such duty is at a duty station located outside the United States.”.

(d) **CONFORMING AMENDMENT.**—The heading for section 121(d)(9) is amended to read as follows: “UNIFORMED SERVICES, FOREIGN SERVICE, AND INTELLIGENCE COMMUNITY”.

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply to sales or exchanges after the date of the enactment of this Act and before January 1, 2011.

SEC. 218. TREATMENT OF COKE AND COKE GAS.

(a) **NONAPPLICATION OF PHASEOUT.**—Section 45K(g)(2) is amended by adding at the end the following new subparagraph:

“(D) **NONAPPLICATION OF PHASEOUT.**—Subsection (b)(1) shall not apply.”.

(b) **CLARIFICATION OF QUALIFYING FACILITY.**—Section 45K(g)(1) is amended by inserting “(other than from petroleum based products)” after “coke or coke gas”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in section 1321 of the Energy Policy Act of 2005.

SEC. 219. SALE OF PROPERTY BY JUDICIAL OFFICERS.

(a) **IN GENERAL.**—Section 1043(b) (relating to the sale of property to comply with conflict-of-interest requirements) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by inserting “, or a judicial officer,” after “an officer or employee of the executive branch”; and

(B) in subparagraph (B), by inserting “judicial canon,” after “any statute, regulation, rule,”;

(2) in paragraph (2)—

(A) in subparagraph (A), by inserting “judicial canon,” after “any Federal conflict of interest statute, regulation, rule,”; and

(B) in subparagraph (B), by inserting after “the Director of the Office of Government Ethics,” the following: “in the case of executive branch officers or employees, or by the Judicial Conference of the United States (or its designee), in the case of judicial officers,”; and

(3) in paragraph (5)(B), by inserting “judicial canon,” after “any statute, regulation, rule,”.

(b) **JUDICIAL OFFICER DEFINED.**—Section 1043(b) is amended by adding at the end the following new paragraph:

“(6) **JUDICIAL OFFICER.**—The term ‘judicial officer’ means the Chief Justice of the United States, the Associate Justices of the Supreme Court, and the judges of the United States courts of appeals, United States district courts, including the district courts in Guam, the Northern Mariana Islands, and

the Virgin Islands, Court of Appeals for the Federal Circuit, Court of International Trade, Tax Court, Court of Federal Claims, Court of Appeals for Veterans Claims, United States Court of Appeals for the Armed Forces, and any court created by Act of Congress, the judges of which are entitled to hold office during good behavior.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to sales after the date of enactment of this Act.

SEC. 220. PREMIUMS FOR MORTGAGE INSURANCE.

(a) **IN GENERAL.**—Section 163(h)(3) (relating to qualified residence interest) is amended by adding at the end the following new subparagraph:

“(E) **MORTGAGE INSURANCE PREMIUMS TREATED AS INTEREST.**—

“(i) **IN GENERAL.**—Premiums paid or accrued for qualified mortgage insurance by a taxpayer during the taxable year in connection with acquisition indebtedness with respect to a qualified residence of the taxpayer shall be treated for purposes of this section as interest which is qualified residence interest.

“(ii) **PHASEOUT.**—The amount otherwise treated as interest under clause (i) shall be reduced (but not below zero) by 10 percent of such amount for each \$1,000 (\$500 in the case of a married individual filing a separate return) (or fraction thereof) that the taxpayer’s adjusted gross income for the taxable year exceeds \$100,000 (\$50,000 in the case of a married individual filing a separate return).

“(iii) **LIMITATION.**—Clause (i) shall not apply with respect to any mortgage insurance contracts issued before January 1, 2007.

“(iv) **TERMINATION.**—Clause (i) shall not apply to amounts—

“(I) paid or accrued after December 31, 2007, or

“(II) properly allocable to any period after such date.”.

(b) **DEFINITION AND SPECIAL RULES.**—Section 163(h)(4) (relating to other definitions and special rules) is amended by adding at the end the following new subparagraphs:

“(E) **QUALIFIED MORTGAGE INSURANCE.**—The term ‘qualified mortgage insurance’ means—

“(i) mortgage insurance provided by the Veterans Administration, the Federal Housing Administration, or the Rural Housing Administration, and

“(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901), as in effect on the date of the enactment of this subparagraph).

“(F) **SPECIAL RULES FOR PREPAID QUALIFIED MORTGAGE INSURANCE.**—Any amount paid by the taxpayer for qualified mortgage insurance that is properly allocable to any mortgage the payment of which extends to periods that are after the close of the taxable year in which such amount is paid shall be chargeable to capital account and shall be treated as paid in such periods to which so allocated. No deduction shall be allowed for the unamortized balance of such account if such mortgage is satisfied before the end of its term. The preceding sentences shall not apply to amounts paid for qualified mortgage insurance provided by the Veterans Administration or the Rural Housing Administration.”.

(c) **INFORMATION RETURNS RELATING TO MORTGAGE INSURANCE.**—Section 6050H (relating to returns relating to mortgage interest received in trade or business from individuals) is amended by adding at the end the following new subsection:

“(h) **RETURNS RELATING TO MORTGAGE INSURANCE PREMIUMS.**—

“(1) **IN GENERAL.**—The Secretary may prescribe, by regulations, that any person who, in the course of a trade or business, receives

from any individual premiums for mortgage insurance aggregating \$600 or more for any calendar year, shall make a return with respect to each such individual. Such return shall be in such form, shall be made at such time, and shall contain such information as the Secretary may prescribe.

“(2) **STATEMENT TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.**—Every person required to make a return under paragraph (1) shall furnish to each individual with respect to whom a return is made a written statement showing such information as the Secretary may prescribe. Such written statement shall be furnished on or before January 31 of the year following the calendar year for which the return under paragraph (1) was required to be made.

“(3) **SPECIAL RULES.**—For purposes of this subsection—

“(A) rules similar to the rules of subsection (c) shall apply, and

“(B) the term ‘mortgage insurance’ means—

“(i) mortgage insurance provided by the Veterans Administration, the Federal Housing Administration, or the Rural Housing Administration, and

“(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901), as in effect on the date of the enactment of this subsection).”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to amounts paid or accrued after December 31, 2006.

SEC. 221. MODIFICATION OF REFUNDS FOR KEROSENE USED IN AVIATION.

(a) **IN GENERAL.**—Paragraph (4) of section 6427(l) (relating to nontaxable uses of diesel fuel and kerosene) is amended to read as follows:

“(4) **REFUNDS FOR KEROSENE USED IN AVIATION.**—

“(A) **KEROSENE USED IN COMMERCIAL AVIATION.**—In the case of kerosene used in commercial aviation (as defined in section 4083(b)) (other than supplies for vessels or aircraft within the meaning of section 4221(d)(3)), paragraph (1) shall not apply to so much of the tax imposed by section 4041 or 4081, as the case may be, as is attributable to—

“(i) the Leaking Underground Storage Tank Trust Fund financing rate imposed by such section, and

“(ii) so much of the rate of tax specified in section 4041(c) or 4081(a)(2)(A)(iii), as the case may be, as does not exceed 4.3 cents per gallon.

“(B) **KEROSENE USED IN NONCOMMERCIAL AVIATION.**—In the case of kerosene used in aviation that is not commercial aviation (as so defined) (other than any use which is exempt from the tax imposed by section 4041(c) other than by reason of a prior imposition of tax), paragraph (1) shall not apply to—

“(i) any tax imposed by section 4041(c), and

“(ii) so much of the tax imposed by section 4081 as is attributable to—

“(I) the Leaking Underground Storage Tank Trust Fund financing rate imposed by such section, and

“(II) so much of the rate of tax specified in section 4081(a)(2)(A)(iii) as does not exceed the rate specified in section 4081(a)(2)(C)(ii).

“(C) **PAYMENTS TO ULTIMATE, REGISTERED VENDOR.**—

“(i) **IN GENERAL.**—With respect to any kerosene used in aviation (other than kerosene described in clause (ii) or kerosene to which paragraph (5) applies), if the ultimate purchaser of such kerosene waives (at such time and in such form and manner as the Secretary shall prescribe) the right to payment under paragraph (1) and assigns such right to the ultimate vendor, then the Secretary

shall pay the amount which would be paid under paragraph (1) to such ultimate vendor, but only if such ultimate vendor—

“(I) is registered under section 4101, and

“(II) meets the requirements of subparagraph (A), (B), or (D) of section 6416(a)(1).”

“(ii) PAYMENTS FOR KEROSENE USED IN NON-COMMERCIAL AVIATION.—The amount which would be paid under paragraph (1) with respect to any kerosene to which subparagraph (B) applies shall be paid only to the ultimate vendor of such kerosene. A payment shall be made to such vendor if such vendor—

“(I) is registered under section 4101, and

“(II) meets the requirements of subparagraph (A), (B), or (D) of section 6416(a)(1).”

(b) CONFORMING AMENDMENTS.—

(1) Section 6427(1) is amended by striking paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(2) Section 4082(d)(2)(B) is amended by striking “section 6427(1)(6)(B)” and inserting “section 6427(1)(5)(B)”.

(3) Section 6427(i)(4)(A) is amended—

(A) by striking “paragraph (4)(B), (5), or (6)” each place it appears and inserting “paragraph (4)(C) or (5)”, and

(B) by striking “(1)(5), and (1)(6)” and inserting “(1)(4)(C)(ii), and (1)(5)”.

(4) Section 6427(1)(1) is amended by striking “paragraph (4)(B)” and inserting “paragraph (4)(C)(i)”.

(5) Section 9502(d) is amended—

(A) in paragraph (2), by striking “and (1)(5)”, and

(B) in paragraph (3), by striking “or (5)”.

(6) Section 9503(c)(7) is amended—

(A) by amending subparagraphs (A) and (B) to read as follows:

“(A) 4.3 cents per gallon of kerosene subject to section 6427(1)(4)(A) with respect to which a payment has been made by the Secretary under section 6427(1), and

“(B) 21.8 cents per gallon of kerosene subject to section 6427(1)(4)(B) with respect to which a payment has been made by the Secretary under section 6427(1).”

(B) in the matter following subparagraph (B), by striking “or (5)”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to kerosene sold after September 30, 2005.

(2) SPECIAL RULE FOR PENDING CLAIMS.—In the case of kerosene sold for use in aviation (other than kerosene to which section 6427(1)(4)(C)(ii) of the Internal Revenue Code of 1986 (as added by subsection (a)) applies or kerosene to which section 6427(1)(5) of such Code (as redesignated by subsection (b)) applies) after September 30, 2005, and before the date of the enactment of this Act, the ultimate purchaser shall be treated as having waived the right to payment under section 6427(1)(1) of such Code and as having assigned such right to the ultimate vendor if such ultimate vendor has met the requirements of subparagraph (A), (B), or (D) of section 6416(a)(1) of such Code.

(d) SPECIAL RULE FOR KEROSENE USED IN AVIATION ON A FARM FOR FARMING PURPOSES.—

(1) REFUNDS FOR PURCHASES AFTER DECEMBER 31, 2004, AND BEFORE OCTOBER 1, 2005.—The Secretary of the Treasury shall pay to the ultimate purchaser of any kerosene which is used in aviation on a farm for farming purposes and which was purchased after December 31, 2004, and before October 1, 2005, an amount equal to the aggregate amount of tax imposed on such fuel under section 4041 or 4081 of the Internal Revenue Code of 1986, as the case may be, reduced by any payment to the ultimate vendor under section 6427(1)(5)(C) of such Code (as in effect on the day before the date of the enactment of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users).

(2) USE ON A FARM FOR FARMING PURPOSES.—For purposes of paragraph (1), kerosene shall be treated as used on a farm for farming purposes if such kerosene is used for farming purposes (within the meaning of section 6420(c)(3) of the Internal Revenue Code of 1986) in carrying on a trade or business on a farm situated in the United States. For purposes of the preceding sentence, rules similar to the rules of section 6420(c)(4) of such Code shall apply.

(3) TIME FOR FILING CLAIMS.—No claim shall be allowed under paragraph (1) unless the ultimate purchaser files such claim before the date that is 3 months after the date of the enactment of this Act.

(4) NO DOUBLE BENEFIT.—No amount shall be paid under paragraph (1) or section 6427(1) of the Internal Revenue Code of 1986 with respect to any kerosene described in paragraph (1) to the extent that such amount is in excess of the tax imposed on such kerosene under section 4041 or 4081 of such Code, as the case may be.

(5) APPLICABLE LAWS.—For purposes of this subsection, rules similar to the rules of section 6427(j) of the Internal Revenue Code of 1986 shall apply.

SEC. 222. DEDUCTION FOR QUALIFIED TIMBER GAIN.

(a) IN GENERAL.—Part I of subchapter P of chapter 1 is amended by adding at the end the following new section:

“SEC. 1203. DEDUCTION FOR QUALIFIED TIMBER GAIN.

“(a) IN GENERAL.—In the case of a taxpayer which elects the application of this section for a taxable year, there shall be allowed a deduction against gross income equal to 60 percent of the lesser of—

“(1) the taxpayer's qualified timber gain for such year, or

“(2) the taxpayer's net capital gain for such year.

“(b) QUALIFIED TIMBER GAIN.—For purposes of this section, the term ‘qualified timber gain’ means, with respect to any taxpayer for any taxable year, the excess (if any) of—

“(1) the sum of the taxpayer's gains described in subsections (a) and (b) of section 631 for such year, over

“(2) the sum of the taxpayer's losses described in such subsections for such year.

“(c) SPECIAL RULES FOR PASS-THRU ENTITIES.—In the case of any qualified timber gain of a pass-thru entity (as defined in section 1(h)(10))—

“(1) the election under this section shall be made separately by each taxpayer subject to tax on such gain, and

“(2) the Secretary may prescribe such regulations as are appropriate to apply this section to such gain.

“(d) TERMINATION.—No disposition of timber after December 31, 2007, shall be taken into account under subsection (b).”

(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATES.—

(1) TAXPAYERS OTHER THAN CORPORATIONS.—Paragraph (2) of section 1(h) is amended to read as follows:

“(2) REDUCTION OF NET CAPITAL GAIN.—For purposes of this subsection, the net capital gain for any taxable year shall be reduced (but not below zero) by the sum of—

“(A) the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B)(iii), and

“(B) in the case of a taxable year with respect to which an election is in effect under section 1203, the lesser of—

“(i) the amount described in paragraph (1) of section 1203(a), or

“(ii) the amount described in paragraph (2) of such section.”

(2) CORPORATIONS.—Section 1201 is amended by redesignating subsection (b) as subsection

(c) and inserting after subsection (a) the following new subsection:

“(b) QUALIFIED TIMBER GAIN NOT TAKEN INTO ACCOUNT.—For purposes of this section, in the case of a corporation with respect to which an election is in effect under section 1203, the net capital gain for any taxable year shall be reduced (but not below zero) by the corporation's qualified timber gain (as defined in section 1203(b)).”

(c) DEDUCTION ALLOWED WHETHER OR NOT INDIVIDUAL ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of section 62, as amended by this Act, is amended by inserting before the last sentence the following new paragraph:

“(22) QUALIFIED TIMBER GAINS.—The deduction allowed by section 1203.”

(d) DEDUCTION ALLOWED IN COMPUTING ADJUSTED CURRENT EARNINGS.—Subparagraph (C) of section 56(g)(4) is amended by adding at the end the following new clause:

“(vii) DEDUCTION FOR QUALIFIED TIMBER GAIN.—Clause (i) shall not apply to any deduction allowed under section 1203.”

(e) DEDUCTION ALLOWED IN COMPUTING TAXABLE INCOME OF ELECTING SMALL BUSINESS TRUSTS.—Subparagraph (C) of section 641(c)(2) is amended by inserting after clause (iii) the following new clause:

“(iv) The deduction allowed under section 1203.”

(f) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 172(d)(2) is amended to read as follows:

“(B) the exclusion under section 1202 and the deduction under section 1203 shall not be allowed.”

(2) Paragraph (4) of section 642(c) is amended by striking the first sentence and inserting the following: “To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a) or qualified timber gain (as defined in section 1203(b)), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202 and for any deduction allowable to the estate or trust under section 1203.”

(3) Paragraph (3) of section 643(a) is amended by striking the last sentence and inserting the following: “The exclusion under section 1202 and the deduction under section 1203 shall not be taken into account.”

(4) Subparagraph (C) of section 643(a)(6) is amended to read as follows:

“(C) Paragraph (3) shall not apply to a foreign trust. In the case of such a trust—

“(i) there shall be included gains from the sale or exchange of capital assets, reduced by losses from such sales or exchanges to the extent such losses do not exceed gains from such sales or exchanges, and

“(ii) the deduction under section 1203 shall not be taken into account.”

(5) Paragraph (4) of section 691(c) is amended by inserting “1203,” after “1202.”

(6) Paragraph (2) of section 871(a) is amended by striking “section 1202” and inserting “sections 1202 and 1203”.

(7) The table of sections for part I of subchapter P of chapter 1 is amended by adding at the end the following new item:

“Sec. 1203. Deduction for qualified timber gain.”

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) TAXABLE YEARS WHICH INCLUDE DATE OF ENACTMENT.—In the case of any taxable year which includes the date of the enactment of this Act, for purposes of the Internal Revenue Code of 1986, the taxpayer's qualified timber gain shall not exceed the excess that would be described in section 1203(b) of such

Code, as added by this section, if only dispositions of timber after such date were taken into account.

SEC. 223. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

(a) IN GENERAL.—Subpart H of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end the following new section:

“SEC. 54A. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

“(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a rural renaissance bond on a credit allowance date of such bond, which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

“(b) AMOUNT OF CREDIT.—

“(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a rural renaissance bond is 25 percent of the annual credit determined with respect to such bond.

“(2) ANNUAL CREDIT.—The annual credit determined with respect to any rural renaissance bond is the product of—

“(A) the credit rate determined by the Secretary under paragraph (3) for the day on which such bond was sold, multiplied by

“(B) the outstanding face amount of the bond.

“(3) DETERMINATION.—For purposes of paragraph (2), with respect to any rural renaissance bond, the Secretary shall determine daily or caused to be determined daily a credit rate which shall apply to the first day on which there is a binding, written contract for the sale or exchange of the bond. The credit rate for any day is the credit rate which the Secretary or the Secretary's designee estimates will permit the issuance of rural renaissance bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer.

“(4) CREDIT ALLOWANCE DATE.—For purposes of this section, the term ‘credit allowance date’ means—

“(A) March 15,

“(B) June 15,

“(C) September 15, and

“(D) December 15.

Such term also includes the last day on which the bond is outstanding.

“(5) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

“(c) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

“(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

“(2) the sum of the credits allowable under this part (other than subpart C and this section).

“(d) RURAL RENAISSANCE BOND.—For purposes of this section—

“(1) IN GENERAL.—The term ‘rural renaissance bond’ means any bond issued as part of an issue if—

“(A) the bond is issued by a qualified issuer,

“(B) 95 percent or more of the proceeds from the sale of such issue are to be used for

capital expenditures incurred for 1 or more qualified projects,

“(C) the qualified issuer designates such bond for purposes of this section and the bond is in registered form, and

“(D) the issue meets the requirements of subsections (e) and (h).

“(2) QUALIFIED PROJECT; SPECIAL USE RULES.—

“(A) IN GENERAL.—The term ‘qualified project’ means 1 or more projects described in subparagraph (B) located in a rural area.

“(B) PROJECTS DESCRIBED.—A project described in this subparagraph is—

“(i) a water or waste treatment project,

“(ii) an affordable housing project,

“(iii) a community facility project, including hospitals, fire and police stations, and nursing and assisted-living facilities,

“(iv) a value-added agriculture or renewable energy facility project for agricultural producers or farmer-owned entities, including any project to promote the production, processing, or retail sale of ethanol (including fuel at least 85 percent of the volume of which consists of ethanol), biodiesel, animal waste, biomass, raw commodities, or wind as a fuel,

“(v) a distance learning or telemedicine project,

“(vi) a rural utility infrastructure project, including any electric or telephone system,

“(vii) a project to expand broadband technology,

“(viii) a rural teleworks project, and

“(ix) any project described in any preceding clause carried out by the Delta Regional Authority.

“(C) SPECIAL RULES.—For purposes of this paragraph—

“(i) any project described in subparagraph (B)(iv) for a farmer-owned entity may be considered a qualified project if such entity is located in a rural area, or in the case of a farmer-owned entity the headquarters of which are located in a nonrural area, if the project is located in a rural area, and

“(ii) any project for a farmer-owned entity which is a facility described in subparagraph (B)(iv) for agricultural producers may be considered a qualified project regardless of whether the facility is located in a rural or nonrural area.

“(3) SPECIAL USE RULES.—

“(A) REFINANCING RULES.—For purposes of paragraph (1)(B), a qualified project may be refinanced with proceeds of a rural renaissance bond only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred after the date of the enactment of this section.

“(B) REIMBURSEMENT.—For purposes of paragraph (1)(B), a rural renaissance bond may be issued to reimburse a borrower for amounts paid after the date of the enactment of this section with respect to a qualified project, but only if—

“(i) prior to the payment of the original expenditure, the borrower declared its intent to reimburse such expenditure with the proceeds of a rural renaissance bond,

“(ii) not later than 60 days after payment of the original expenditure, the qualified issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

“(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

“(C) TREATMENT OF CHANGES IN USE.—For purposes of paragraph (1)(B), the proceeds of an issue shall not be treated as used for a qualified project to the extent that a borrower takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial ac-

tions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a rural renaissance bond.

“(e) MATURITY LIMITATIONS.—

“(1) DURATION OF TERM.—A bond shall not be treated as a rural renaissance bond if the maturity of such bond exceeds the maximum term determined by the Secretary under paragraph (2) with respect to such bond.

“(2) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the face amount of such bond. Such present value shall be determined without regard to the requirements of paragraph (3) and using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

“(3) RATABLE PRINCIPAL AMORTIZATION REQUIRED.—A bond shall not be treated as a rural renaissance bond unless it is part of an issue which provides for an equal amount of principal to be paid by the qualified issuer during each calendar year that the issue is outstanding.

“(f) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

“(1) NATIONAL LIMITATION.—There is a rural renaissance bond limitation of \$200,000,000.

“(2) ALLOCATION BY SECRETARY.—The Secretary shall allocate the amount described in paragraph (1) among qualified projects in such manner as the Secretary determines appropriate.

“(g) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

“(h) SPECIAL RULES RELATING TO EXPENDITURES.—

“(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the qualified issuer reasonably expects—

“(A) at least 95 percent of the proceeds from the sale of the issue are to be spent for 1 or more qualified projects within the 5-year period beginning on the date of issuance of the rural renaissance bond,

“(B) a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue will be incurred within the 6-month period beginning on the date of issuance of the rural renaissance bond or, in the case of a rural renaissance bond, the proceeds of which are to be loaned to 2 or more borrowers, such binding commitment will be incurred within the 6-month period beginning on the date of the loan of such proceeds to a borrower, and

“(C) such projects will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

“(2) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the qualified issuer establishes that the failure to satisfy the 5-year requirement is due to reasonable cause and the related projects will continue to proceed with due diligence.

“(3) FAILURE TO SPEND REQUIRED AMOUNT OF BOND PROCEEDS WITHIN 5 YEARS.—To the extent that less than 95 percent of the proceeds of such issue are expended by the close of the

5-year period beginning on the date of issuance (or if an extension has been obtained under paragraph (2), by the close of the extended period), the qualified issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

“(i) SPECIAL RULES RELATING TO ARBITRAGE.—A bond which is part of an issue shall not be treated as a rural renaissance bond unless, with respect to the issue of which the bond is a part, the qualified issuer satisfies the arbitrage requirements of section 148 with respect to proceeds of the issue.

“(j) QUALIFIED ISSUER.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified issuer’ means any not-for-profit cooperative lender which has as of the date of the enactment of this section received a guarantee under section 306 of the Rural Electrification Act and which meets the requirement of paragraph (2).

“(2) USER FEE REQUIREMENT.—The requirement of this paragraph is met if the issuer of any rural renaissance bond makes grants for qualified projects as defined under subsection (d)(2) on a semi-annual basis every year that such bond is outstanding in an annual amount equal to one-half of the rate on United States Treasury Bills of the same maturity multiplied by the outstanding principal balance of rural renaissance bonds issued by such issuer.

“(k) SPECIAL RULES RELATING TO POOL BONDS.—No portion of a pooled financing bond may be allocable to a loan unless the borrower has entered into a written loan commitment for such portion prior to the issue date of such issue.

“(l) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) BOND.—The term ‘bond’ includes any obligation.

“(2) POOLED FINANCING BOND.—The term ‘pooled financing bond’ shall have the meaning given such term by section 149(f)(4)(A).

“(3) RURAL AREA.—The term ‘rural area’ means any area other than—

“(A) a city or town which has a population of greater than 50,000 inhabitants, or

“(B) the urbanized area contiguous and adjacent to such a city or town.

“(4) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—

“(A) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

“(B) NO BASIS ADJUSTMENT.—In the case of a bond held by a partnership or an S corporation, rules similar to the rules under section 1397E(1) shall apply.

“(5) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any rural renaissance bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

“(6) REPORTING.—Issuers of rural renaissance bonds shall submit reports similar to the reports required under section 149(e).”.

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

“(9) REPORTING OF CREDIT ON RURAL RENAISSANCE BONDS.—

“(A) IN GENERAL.—For purposes of subsection (a), the term ‘interest’ includes amounts includible in gross income under section 54A(f) and such amounts shall be

treated as paid on the credit allowance date (as defined in section 54A(b)(4)).

“(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A), subsection (b)(4) shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i) of such subsection.

“(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.”.

(c) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart H of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 54A. Credit to holders of rural renaissance bonds.”.

(2) Section 54(c)(2) is amended by inserting “, section 54A,” after “subpart C”.

(3) Section 1400N(1)(3)(B) is amended by inserting “, section 54A,” after “subpart C”.

(d) ISSUANCE OF REGULATIONS.—The Secretary of Treasury shall issue regulations required under section 54A of the Internal Revenue Code of 1986 (as added by this section) not later than 120 days after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act and before January 1, 2010.

SEC. 224. RESTORATION OF DEDUCTION FOR TRAVEL EXPENSES OF SPOUSE, ETC. ACCOMPANYING TAXPAYER ON BUSINESS TRAVEL.

(a) IN GENERAL.—Subsection (m) of section 274 (relating to additional limitations on travel expenses) is amended by adding at the end the following new paragraph:

“(4) TERMINATION.—Paragraph (3) shall not apply to any expense paid or incurred after the date of the enactment of this paragraph and before January 1, 2008.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

SEC. 225. TECHNICAL CORRECTIONS.

(a) TECHNICAL CORRECTION RELATING TO LOOK-THROUGH TREATMENT OF PAYMENTS BETWEEN RELATED CONTROLLED FOREIGN CORPORATIONS UNDER THE FOREIGN PERSONAL HOLDING COMPANY RULES.—

(1) IN GENERAL.—

(A) The first sentence of section 954(c)(6)(A), as amended by section 103(b) of the Tax Increase Prevention and Reconciliation Act of 2005, is amended by striking “which is not subpart F income” and inserting “which is neither subpart F income nor income treated as effectively connected with the conduct of a trade or business in the United States”.

(B) Section 954(c)(6)(A), as so amended, is amended by striking the last sentence and inserting the following: “The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this paragraph, including such regulations as may be necessary or appropriate to prevent the abuse of the purposes of this paragraph.”

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in section 103(b) of the Tax Increase Prevention and Reconciliation Act of 2005.

(b) TECHNICAL CORRECTION REGARDING AUTHORITY TO EXERCISE REASONABLE CAUSE AND GOOD FAITH EXCEPTION.—

(1) IN GENERAL.—Section 903(d)(2)(B)(iii) of the American Jobs Creation Act of 2004, as amended by section 303(a) of the Gulf Opportunity Zone Act of 2005, is amended by in-

serting “or the Secretary’s delegate” after “the Secretary of the Treasury”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the provisions of the American Jobs Creation Act of 2004 to which it relates.

TITLE III—SURFACE MINING CONTROL AND RECLAMATION ACT AMENDMENTS OF 2006

SEC. 301. SHORT TITLE.

This title may be cited as the “Surface Mining Control and Reclamation Act Amendments of 2006”.

Subtitle A—Mining Control and Reclamation

SEC. 311. ABANDONED MINE RECLAMATION FUND AND PURPOSES.

(a) IN GENERAL.—Section 401 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231) is amended—

(1) in subsection (c)—

(A) by striking paragraphs (2) and (6); and

(B) by redesignating paragraphs (3), (4), and (5) and paragraphs (7) through (13) as paragraphs (2) through (11), respectively;

(2) by striking subsection (d) and inserting the following:

“(d) AVAILABILITY OF MONEYS; NO FISCAL YEAR LIMITATION.—

“(1) IN GENERAL.—Moneys from the fund for expenditures under subparagraphs (A) through (D) of section 402(g)(3) shall be available only when appropriated for those subparagraphs.

“(2) NO FISCAL YEAR LIMITATION.—Appropriations described in paragraph (1) shall be made without fiscal year limitation.

“(3) OTHER PURPOSES.—Moneys from the fund shall be available for all other purposes of this title without prior appropriation as provided in subsection (f).”;

(3) in subsection (e)—

(A) in the second sentence, by striking “the needs of such fund” and inserting “achieving the purposes of the transfers under section 402(h)”;

(B) in the third sentence, by inserting before the period the following: “for the purpose of the transfers under section 402(h)”;

and

(4) by adding at the end the following:

“(f) GENERAL LIMITATION ON OBLIGATION AUTHORITY.—

“(1) IN GENERAL.—From amounts deposited into the fund under subsection (b), the Secretary shall distribute during each fiscal year beginning after September 30, 2007, an amount determined under paragraph (2).

“(2) AMOUNTS.—

“(A) FOR FISCAL YEARS 2008 THROUGH 2022.—For each of fiscal years 2008 through 2022, the amount distributed by the Secretary under this subsection shall be equal to—

“(i) the amounts deposited into the fund under paragraphs (1), (2), and (4) of subsection (b) for the preceding fiscal year that were allocated under paragraphs (1) and (5) of section 402(g); plus

“(ii) the amount needed for the adjustment under section 402(g)(8) for the current fiscal year.

“(B) FISCAL YEARS 2023 AND THEREAFTER.—For fiscal year 2023 and each fiscal year thereafter, to the extent that funds are available, the Secretary shall distribute an amount equal to the amount distributed under subparagraph (A) during fiscal year 2022.

“(3) DISTRIBUTION.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), for each fiscal year, of the amount to be distributed to States and Indian tribes pursuant to paragraph (2), the Secretary shall distribute—

“(i) the amounts allocated under paragraph (1) of section 402(g), the amounts allocated under paragraph (5) of section 402(g), and any amount reallocated under section

411(h)(3) in accordance with section 411(h)(2), for grants to States and Indian tribes under section 402(g)(5); and

“(ii) the amounts allocated under section 402(g)(8).”

“(B) EXCLUSION.—Beginning on October 1, 2007, certified States shall be ineligible to receive amounts under section 402(g)(1).”

“(4) AVAILABILITY.—Amounts in the fund available to the Secretary for obligation under this subsection shall be available until expended.”

“(5) ADDITION.—

“(A) IN GENERAL.—Subject to subparagraph (B), the amount distributed under this subsection for each fiscal year shall be in addition to the amount appropriated from the fund during the fiscal year.”

“(B) EXCEPTIONS.—Notwithstanding paragraph (3), the amount distributed under this subsection for the first 4 fiscal years beginning on and after October 1, 2007, shall be equal to the following percentage of the amount otherwise required to be distributed:

“(i) 50 percent in fiscal year 2008.

“(ii) 50 percent in fiscal year 2009.

“(iii) 75 percent in fiscal year 2010.

“(iv) 75 percent in fiscal year 2011.”

(b) CONFORMING AMENDMENT.—Section 712(b) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1302(b)) is amended by striking “section 401(c)(11)” and inserting “section 401(c)(9)”.

SEC. 312. RECLAMATION FEE.

(a) AMOUNTS.—

(1) FISCAL YEARS 2008–2012.—Effective October 1, 2007, section 402(a) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232(a)) is amended—

(A) by striking “35” and inserting “31.5”;

(B) by striking “15” and inserting “13.5”; and

(C) by striking “10 cents” and inserting “9 cents”.

(2) FISCAL YEARS 2013–2021.—Effective October 1, 2012, section 402(a) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232(a)) (as amended by paragraph (1)) is amended—

(A) by striking “31.5” and inserting “28”;

(B) by striking “13.5” and inserting “12”; and

(C) by striking “9 cents” and inserting “8 cents”.

(b) DURATION.—Effective September 30, 2007, section 402(b) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232(b)) (as amended by section 7007 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234; 120 Stat. 484)) is amended by striking “September 30, 2007” and all that follows through the end of the sentence and inserting “September 30, 2021.”

(c) ALLOCATION OF FUNDS.—Section 402(g) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232(g)) is amended—

(1) in paragraph (1)(D)—

(A) by inserting “(except for grants awarded during fiscal years 2008, 2009, and 2010 to the extent not expended within 5 years)” after “this paragraph”; and

(B) by striking “in any area under paragraph (2), (3), (4), or (5)” and inserting “under paragraph (5)”;

(2) by striking paragraph (2) and inserting:

“(2) In making the grants referred to in paragraph (1)(C) and the grants referred to in paragraph (5), the Secretary shall ensure strict compliance by the States and Indian tribes with the priorities described in section 403(a) until a certification is made under section 411(a).”;

(3) in paragraph (3)—

(A) in the matter preceding subparagraph (A), by striking “paragraphs (2) and” and inserting “paragraph”;

(B) in subparagraph (A), by striking “401(c)(11)” and inserting “401(c)(9)”; and

(C) by adding at the end the following:

“(E) For the purpose of paragraph (8).”;

(4) in paragraph (5)—

(A) by inserting “(A)” after “(5)”;

(B) in the first sentence, by striking “40”

and inserting “60”;

(C) in the last sentence, by striking “Funds allocated or expended by the Secretary under paragraphs (2), (3), or (4)” and inserting “Funds made available under paragraph (3) or (4)”;

(D) by adding at the end the following:

“(B) Any amount that is reallocated and available under section 411(h)(3) shall be in addition to amounts that are allocated under subparagraph (A).”;

(5) by striking paragraphs (6) through (8) and inserting the following:

“(6)(A) Any State with an approved abandoned mine reclamation program pursuant to section 405 may receive and retain, without regard to the 3-year limitation referred to in paragraph (1)(D), up to 30 percent of the total of the grants made annually to the State under paragraphs (1) and (5) if those amounts are deposited into an acid mine drainage abatement and treatment fund established under State law, from which amounts (together with all interest earned on the amounts) are expended by the State for the abatement of the causes and the treatment of the effects of acid mine drainage in a comprehensive manner within qualified hydrologic units affected by coal mining practices.

“(B) In this paragraph, the term ‘qualified hydrologic unit’ means a hydrologic unit—

“(i) in which the water quality has been significantly affected by acid mine drainage from coal mining practices in a manner that adversely impacts biological resources; and

“(ii) that contains land and water that are—

“(I) eligible pursuant to section 404 and include any of the priorities described in section 403(a); and

“(II) the subject of expenditures by the State from the forfeiture of bonds required under section 509 or from other States sources to abate and treat acid mine drainage.

“(7) In complying with the priorities described in section 403(a), any State or Indian tribe may use amounts available in grants made annually to the State or tribe under paragraphs (1) and (5) for the reclamation of eligible land and water described in section 403(a)(3) before the completion of reclamation projects under paragraphs (1) and (2) of section 403(a) only if the expenditure of funds for the reclamation is done in conjunction with the expenditure before, on, or after the date of enactment of the Surface Mining Control and Reclamation Act Amendments of 2006 of funds for reclamation projects under paragraphs (1) and (2) of section 403(a).

“(8)(A) In making funds available under this title, the Secretary shall ensure that the grant awards total not less than \$3,000,000 annually to each State and each Indian tribe having an approved abandoned mine reclamation program pursuant to section 405 and eligible land and water pursuant to section 404, so long as an allocation of funds to the State or tribe is necessary to achieve the priorities stated in paragraphs (1) and (2) of section 403(a).

“(B) Notwithstanding any other provision of law, this paragraph applies to the States of Tennessee and Missouri.”

(d) TRANSFERS OF INTEREST EARNED BY ABANDONED MINE RECLAMATION FUND.—Section 402 of the Surface Mining Control and

Reclamation Act of 1977 (30 U.S.C. 1232) is amended by striking subsection (h) and inserting the following:

“(h) TRANSFERS OF INTEREST EARNED BY FUND.—

“(1) IN GENERAL.—

“(A) TRANSFERS TO COMBINED BENEFIT FUND.—As soon as practicable after the beginning of fiscal year 2007 and each fiscal year thereafter, and before making any allocation with respect to the fiscal year under subsection (g), the Secretary shall use an amount not to exceed the amount of interest that the Secretary estimates will be earned and paid to the fund during the fiscal year to transfer to the Combined Benefit Fund such amounts as are estimated by the trustees of such Fund to offset the amount of any deficit in net assets in the Combined Benefit Fund as of October 1, 2006, and to make the transfer described in paragraph (2)(A).

“(B) TRANSFERS TO 1992 AND 1993 PLANS.—As soon as practicable after the beginning of fiscal year 2008 and each fiscal year thereafter, and before making any allocation with respect to the fiscal year under subsection (g), the Secretary shall use an amount not to exceed the amount of interest that the Secretary estimates will be earned and paid to the fund during the fiscal year (reduced by the amount used under subparagraph (A)) to make the transfers described in paragraphs (2)(B) and (2)(C).

“(2) TRANSFERS DESCRIBED.—The transfers referred to in paragraph (1) are the following:

“(A) UNITED MINE WORKERS OF AMERICA COMBINED BENEFIT FUND.—A transfer to the United Mine Workers of America Combined Benefit Fund equal to the amount that the trustees of the Combined Benefit Fund estimate will be expended from the fund for the fiscal year in which the transfer is made, reduced by—

“(i) the amount the trustees of the Combined Benefit Fund estimate the Combined Benefit Fund will receive during the fiscal year in—

“(I) required premiums; and

“(II) payments paid by Federal agencies in connection with benefits provided by the Combined Benefit Fund; and

“(ii) the amount the trustees of the Combined Benefit Fund estimate will be expended during the fiscal year to provide health benefits to beneficiaries who are unassigned beneficiaries solely as a result of the application of section 9706(h)(1) of the Internal Revenue Code of 1986, but only to the extent that such amount does not exceed the amounts described in subsection (i)(1)(A) that the Secretary estimates will be available to pay such estimated expenditures.

“(B) UNITED MINE WORKERS OF AMERICA 1992 BENEFIT PLAN.—A transfer to the United Mine Workers of America 1992 Benefit Plan, in an amount equal to the difference between—

“(i) the amount that the trustees of the 1992 UMWA Benefit Plan estimate will be expended from the 1992 UMWA Benefit Plan during the next calendar year to provide the benefits required by the 1992 UMWA Benefit Plan on the date of enactment of this subparagraph; minus

“(ii) the amount that the trustees of the 1992 UMWA Benefit Plan estimate the 1992 UMWA Benefit Plan will receive during the next calendar year in—

“(I) required monthly per beneficiary premiums, including the amount of any security provided to the 1992 UMWA Benefit Plan that is available for use in the provision of benefits; and

“(II) payments paid by Federal agencies in connection with benefits provided by the 1992 UMWA benefit plan.

“(C) MULTIEMPLOYER HEALTH BENEFIT PLAN.—A transfer to the Multiemployer

Health Benefit Plan established after July 20, 1992, by the parties that are the settlors of the 1992 UMW Benefit Plan referred to in subparagraph (B) (referred to in this subparagraph and subparagraph (D) as 'the Plan'), in an amount equal to the excess (if any) of—

“(i) the amount that the trustees of the Plan estimate will be expended from the Plan during the next calendar year, to provide benefits no greater than those provided by the Plan as of December 31, 2006; over

“(ii) the amount that the trustees estimated the Plan will receive during the next calendar year in payments paid by Federal agencies in connection with benefits provided by the Plan.

Such excess shall be calculated by taking into account only those beneficiaries actually enrolled in the Plan as of December 31, 2006, who are eligible to receive benefits under the Plan on the first day of the calendar year for which the transfer is made.

“(D) INDIVIDUALS CONSIDERED ENROLLED.—For purposes of subparagraph (C), any individual who was eligible to receive benefits from the Plan as of the date of enactment of this subsection, even though benefits were being provided to the individual pursuant to a settlement agreement approved by order of a bankruptcy court entered on or before September 30, 2004, will be considered to be actually enrolled in the Plan and shall receive benefits from the Plan beginning on December 31, 2006.

“(3) ADJUSTMENT.—If, for any fiscal year, the amount of a transfer under subparagraph (A), (B), or (C) of paragraph (2) is more or less than the amount required to be transferred under that subparagraph, the Secretary shall appropriately adjust the amount transferred under that subparagraph for the next fiscal year.

“(4) ADDITIONAL AMOUNTS.—

“(A) PREVIOUSLY CREDITED INTEREST.—Notwithstanding any other provision of law, any interest credited to the fund that has not previously been transferred to the Combined Benefit Fund referred to in paragraph (2)(A) under this section—

“(i) shall be held in reserve by the Secretary until such time as necessary to make the payments under subparagraphs (A) and (B) of subsection (i)(1), as described in clause (ii); and

“(ii) in the event that the amounts described in subsection (i)(1) are insufficient to make the maximum payments described in subparagraphs (A) and (B) of subsection (i)(1), shall be used by the Secretary to supplement the payments so that the maximum amount permitted under those paragraphs is paid.

“(B) PREVIOUSLY ALLOCATED AMOUNTS.—All amounts allocated under subsection (g)(2) before the date of enactment of this subparagraph for the program described in section 406, but not appropriated before that date, shall be available to the Secretary to make the transfers described in paragraph (2).

“(C) ADEQUACY OF PREVIOUSLY CREDITED INTEREST.—The Secretary shall—

“(i) consult with the trustees of the plans described in paragraph (2) at reasonable intervals; and

“(ii) notify Congress if a determination is made that the amounts held in reserve under subparagraph (A) are insufficient to meet future requirements under subparagraph (A)(ii).

“(D) ADDITIONAL RESERVE AMOUNTS.—In addition to amounts held in reserve under subparagraph (A), there is authorized to be appropriated such sums as may be necessary for transfer to the fund to carry out the purposes of subparagraph (A)(ii).

“(E) INAPPLICABILITY OF CAP.—The limitation described in subsection (i)(3)(A) shall

not apply to payments made from the reserve fund under this paragraph.

“(5) LIMITATIONS.—

“(A) AVAILABILITY OF FUNDS FOR NEXT FISCAL YEAR.—The Secretary may make transfers under subparagraphs (B) and (C) of paragraph (2) for a calendar year only if the Secretary determines, using actuarial projections provided by the trustees of the Combined Benefit Fund referred to in paragraph (2)(A), that amounts will be available under paragraph (1), after the transfer, for the next fiscal year for making the transfer under paragraph (2)(A).

“(B) RATE OF CONTRIBUTIONS OF OBLIGORS.—

“(i) IN GENERAL.—

“(I) RATE.—A transfer under paragraph (2)(C) shall not be made for a calendar year unless the persons that are obligated to contribute to the plan referred to in paragraph (2)(C) on the date of the transfer are obligated to make the contributions at rates that are no less than those in effect on the date which is 30 days before the date of enactment of this subsection.

“(II) APPLICATION.—The contributions described in subclause (I) shall be applied first to the provision of benefits to those plan beneficiaries who are not described in paragraph (2)(C)(ii).

“(ii) INITIAL CONTRIBUTIONS.—

“(I) IN GENERAL.—From the date of enactment of the Surface Mining Control and Reclamation Act Amendments of 2006 through December 31, 2010, the persons that, on the date of enactment of that Act, are obligated to contribute to the plan referred to in paragraph (2)(C) shall be obligated, collectively, to make contributions equal to the amount described in paragraph (2)(C), less the amount actually transferred due to the operation of subparagraph (C).

“(II) FIRST CALENDAR YEAR.—Calendar year 2006 is the first calendar year for which contributions are required under this clause.

“(III) AMOUNT OF CONTRIBUTION FOR 2006.—Except as provided in subclause (IV), the amount described in paragraph (2)(C) for calendar year 2006 shall be calculated as if paragraph (2)(C) had been in effect during 2005.

“(IV) LIMITATION.—The contributions required under this clause for calendar year 2006 shall not exceed the amount necessary for solvency of the plan described in paragraph (2)(C), measured as of December 31, 2006 and taking into account all assets held by the plan as of that date.

“(iii) DIVISION.—The collective annual contribution obligation required under clause (ii) shall be divided among the persons subject to the obligation, and applied uniformly, based on the hours worked for which contributions referred to in clause (i) would be owed.

“(C) PHASE-IN OF TRANSFERS.—For each of calendar years 2008 through 2010, the transfers required under subparagraphs (B) and (C) of paragraph (2) shall equal the following amounts:

“(i) For calendar year 2008, the Secretary shall make transfers equal to 25 percent of the amounts that would otherwise be required under subparagraphs (B) and (C) of paragraph (2).

“(ii) For calendar year 2009, the Secretary shall make transfers equal to 50 percent of the amounts that would otherwise be required under subparagraphs (B) and (C) of paragraph (2).

“(iii) For calendar year 2010, the Secretary shall make transfers equal to 75 percent of the amounts that would otherwise be required under subparagraphs (B) and (C) of paragraph (2).

“(i) FUNDING.—

“(1) IN GENERAL.—Subject to paragraph (3), out of any funds in the Treasury not otherwise appropriated, the Secretary of the

Treasury shall transfer to the plans described in subsection (h)(2) such sums as are necessary to pay the following amounts:

“(A) To the Combined Fund (as defined in section 9701(a)(5) of the Internal Revenue Code of 1986 and referred to in this paragraph as the 'Combined Fund'), the amount that the trustees of the Combined Fund estimate will be expended from premium accounts maintained by the Combined Fund for the fiscal year to provide benefits for beneficiaries who are unassigned beneficiaries solely as a result of the application of section 9706(h)(1) of the Internal Revenue Code of 1986, subject to the following limitations:

“(i) For fiscal year 2008, the amount paid under this subparagraph shall equal—

“(I) the amount described in subparagraph (A); minus

“(II) the amounts required under section 9706(h)(3)(A) of the Internal Revenue Code of 1986.

“(ii) For fiscal year 2009, the amount paid under this subparagraph shall equal—

“(I) the amount described in subparagraph (A); minus

“(II) the amounts required under section 9706(h)(3)(B) of the Internal Revenue Code of 1986.

“(iii) For fiscal year 2010, the amount paid under this subparagraph shall equal—

“(I) the amount described in subparagraph (A); minus

“(II) the amounts required under section 9706(h)(3)(C) of the Internal Revenue Code of 1986.

“(B) On certification by the trustees of any plan described in subsection (h)(2) that the amount available for transfer by the Secretary pursuant to this section (determined after application of any limitation under subsection (h)(5)) is less than the amount required to be transferred, to the plan the amount necessary to meet the requirement of subsection (h)(2).

“(C) To the Combined Fund, \$9,000,000 on October 1, 2007, \$9,000,000 on October 1, 2008, and \$9,000,000 on October 1, 2009 (which amounts shall not be exceeded) to provide a refund of any premium (as described in section 9704(a) of the Internal Revenue Code of 1986) paid on or before September 7, 2000, to the Combined Fund, plus interest on the premium calculated at the rate of 7.5 percent per year, on a proportional basis and to be paid not later than 60 days after the date on which each payment is received by the Combined Fund, to those signatory operators (to the extent that the Combined Fund has not previously returned the premium amounts to the operators), or any related persons to the operators (as defined in section 9701(c) of the Internal Revenue Code of 1986), or their heirs, successors, or assigns who have been denied the refunds as the result of final judgments or settlements if—

“(i) prior to the date of enactment of this paragraph, the signatory operator (or any related person to the operator)—

“(I) had all of its beneficiary assignments made under section 9706 of the Internal Revenue Code of 1986 voided by the Commissioner of the Social Security Administration; and

“(II) was subject to a final judgment or final settlement of litigation adverse to a claim by the operator that the assignment of beneficiaries under section 9706 of the Internal Revenue Code of 1986 was unconstitutional as applied to the operator; and

“(ii) on or before September 7, 2000, the signatory operator (or any related person to the operator) had paid to the Combined Fund any premium amount that had not been refunded.

“(2) PAYMENTS TO STATES AND INDIAN TRIBES.—Subject to paragraph (3), out of any

funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of the Interior for distribution to States and Indian tribes such sums as are necessary to pay amounts described in paragraphs (1)(A) and (2)(A) of section 411(h).

“(3) LIMITATIONS.—

“(A) CAP.—The total amount transferred under this subsection for any fiscal year shall not exceed \$490,000,000.

“(B) INSUFFICIENT AMOUNTS.—In a case in which the amount required to be transferred without regard to this paragraph exceeds the maximum annual limitation in subparagraph (A), the Secretary shall adjust the transfers of funds so that—

“(i) each transfer for the fiscal year is a percentage of the amount described;

“(ii) the amount is determined without regard to subsection (h)(5)(A); and

“(iii) the percentage transferred is the same for all transfers made under this subsection for the fiscal year.

“(4) AVAILABILITY OF FUNDS.—Funds shall be transferred under paragraph (1) and (2) beginning in fiscal year 2008 and each fiscal year thereafter, and shall remain available until expended.”.

SEC. 313. OBJECTIVES OF FUND.

Section 403 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1233) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “(1) the protection” and inserting the following:

“(1)(A) the protection;”;

(ii) in subparagraph (A) (as designated by clause (i)), by striking “general welfare;”;

and

(iii) by adding at the end the following:

“(B) the restoration of land and water resources and the environment that—

“(i) have been degraded by the adverse effects of coal mining practices; and

“(ii) are adjacent to a site that has been or will be remediated under subparagraph (A);”;

(B) in paragraph (2)—

(i) by striking “(2) the protection” and inserting the following:

“(2)(A) the protection;”;

(ii) in subparagraph (A) (as designated by clause (i)), by striking “health, safety, and general welfare” and inserting “health and safety”; and

(iii) by adding at the end the following:

“(B) the restoration of land and water resources and the environment that—

“(i) have been degraded by the adverse effects of coal mining practices; and

“(ii) are adjacent to a site that has been or will be remediated under subparagraph (A); and”;

(C) in paragraph (3), by striking the semicolon at the end and inserting a period; and

(D) by striking paragraphs (4) and (5);

(2) in subsection (b)—

(A) by striking the subsection heading and inserting “WATER SUPPLY RESTORATION.—”; and

(B) in paragraph (1), by striking “up to 30 percent of the”; and

(3) in the second sentence of subsection (c), by inserting “, subject to the approval of the Secretary,” after “amendments”.

SEC. 314. RECLAMATION OF RURAL LAND.

(a) **ADMINISTRATION.—**Section 406(h) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1236(h)) is amended by striking “Soil Conservation Service” and inserting “Natural Resources Conservation Service”.

(b) **AUTHORIZATION OF APPROPRIATIONS FOR CARRYING OUT RURAL LAND RECLAMATION.—**Section 406 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1236)

is amended by adding at the end the following:

“(i) There are authorized to be appropriated to the Secretary of Agriculture, from amounts in the Treasury other than amounts in the fund, such sums as may be necessary to carry out this section.”.

SEC. 315. LIENS.

Section 408(a) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1238) is amended in the last sentence by striking “who owned the surface prior to May 2, 1977, and”.

SEC. 316. CERTIFICATION.

Section 411 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1240a) is amended—

(1) in subsection (a)—

(A) by inserting “(1)” before the first sentence; and

(B) by adding at the end the following:

“(2)(A) The Secretary may, on the initiative of the Secretary, make the certification referred to in paragraph (1) on behalf of any State or Indian tribe referred to in paragraph (1) if on the basis of the inventory referred to in section 403(c) all reclamation projects relating to the priorities described in section 403(a) for eligible land and water pursuant to section 404 in the State or tribe have been completed.

“(B) The Secretary shall only make the certification after notice in the Federal Register and opportunity for public comment.”;

(2) by adding at the end the following:

“(h) **PAYMENTS TO STATES AND INDIAN TRIBES.—**

“(1) **IN GENERAL.—**

“(A) **PAYMENTS.—**

“(i) **IN GENERAL.—**Notwithstanding section 401(f)(3)(B), from funds referred to in section 402(i)(2), the Secretary shall make payments to States or Indian tribes for the amount due for the aggregate unappropriated amount allocated to the State or Indian tribe under subparagraph (A) or (B) of section 402(g)(1).

“(ii) **CONVERSION AS EQUIVALENT PAYMENTS.—**Amounts allocated under subparagraphs (A) or (B) of section 402(g)(1) shall be reallocated to the allocation established in section 402(g)(5) in amounts equivalent to payments made to States or Indian tribes under this paragraph.

“(B) **AMOUNT DUE.—**In this paragraph, the term ‘amount due’ means the unappropriated amount allocated to a State or Indian tribe before October 1, 2007, under subparagraph (A) or (B) of section 402(g)(1).

“(C) **SCHEDULE.—**Payments under subparagraph (A) shall be made in 7 equal annual installments, beginning with fiscal year 2008.

“(D) **USE OF FUNDS.—**

“(i) **CERTIFIED STATES AND INDIAN TRIBES.—**A State or Indian tribe that makes a certification under subsection (a) in which the Secretary concurs shall use any amounts provided under this paragraph for the purposes established by the State legislature or tribal council of the Indian tribe, with priority given for addressing the impacts of mineral development.

“(ii) **UNCERTIFIED STATES AND INDIAN TRIBES.—**A State or Indian tribe that has not made a certification under subsection (a) in which the Secretary has concurred shall use any amounts provided under this paragraph for the purposes described in section 403.

“(2) **SUBSEQUENT STATE AND INDIAN TRIBE SHARE FOR CERTIFIED STATES AND INDIAN TRIBES.—**

“(A) **IN GENERAL.—**Notwithstanding section 401(f)(3)(B), from funds referred to in section 402(i)(2), the Secretary shall pay to each certified State or Indian tribe an amount equal to the sum of the aggregate unappropriated amount allocated on or after October 1, 2007,

to the certified State or Indian tribe under subparagraph (A) or (B) of section 402(g)(1).

“(B) **CERTIFIED STATE OR INDIAN TRIBE DEFINED.—**In this paragraph the term ‘certified State or Indian tribe’ means a State or Indian tribe for which a certification is made under subsection (a) in which the Secretary concurs.

“(3) **MANNER OF PAYMENT.—**

“(A) **IN GENERAL.—**Subject to subparagraph (B), payments to States or Indian tribes under this subsection shall be made without regard to any limitation in section 401(d) and concurrently with payments to States under that section.

“(B) **INITIAL PAYMENTS.—**The first 3 payments made to any State or Indian tribe shall be reduced to 25 percent, 50 percent, and 75 percent, respectively, of the amounts otherwise required under paragraph (2)(A).

“(C) **INSTALLMENTS.—**Amounts withheld from the first 3 annual installments as provided under subparagraph (B) shall be paid in 2 equal annual installments beginning with fiscal year 2018.

“(4) **REALLOCATION.—**

“(A) **IN GENERAL.—**The amount allocated to any State or Indian tribe under subparagraph (A) or (B) of section 402(g)(1) that is paid to the State or Indian tribe as a result of a payment under paragraph (1) or (2) shall be reallocated and available for grants under section 402(g)(5).

“(B) **ALLOCATION.—**The grants shall be allocated based on the amount of coal historically produced before August 3, 1977, in the same manner as under section 402(g)(5).”.

SEC. 317. REMINING INCENTIVES.

Title IV of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231 et seq.) is amended by adding at the following:

“SEC. 415. REMINING INCENTIVES.

“(a) **IN GENERAL.—**Notwithstanding any other provision of this Act, the Secretary may, after opportunity for public comment, promulgate regulations that describe conditions under which amounts in the fund may be used to provide incentives to promote re-mining of eligible land under section 404 in a manner that leverages the use of amounts from the fund to achieve more reclamation with respect to the eligible land than would be achieved without the incentives.

“(b) **REQUIREMENTS.—**Any regulations promulgated under subsection (a) shall specify that the incentives shall apply only if the Secretary determines, with the concurrence of the State regulatory authority referred to in title V, that, without the incentives, the eligible land would not be likely to be remined and reclaimed.

“(c) **INCENTIVES.—**

“(1) **IN GENERAL.—**Incentives that may be considered for inclusion in the regulations promulgated under subsection (a) include, but are not limited to—

“(A) a rebate or waiver of the reclamation fees required under section 402(a); and

“(B) the use of amounts in the fund to provide financial assurance for re-mining operations in lieu of all or a portion of the performance bonds required under section 509.

“(2) **LIMITATIONS.—**

“(A) **USE.—**A rebate or waiver under paragraph (1)(A) shall be used only for operations that—

“(i) remove or reprocess abandoned coal mine waste; or

“(ii) conduct re-mining activities that meet the priorities specified in paragraph (1) or (2) of section 403(a).

“(B) **AMOUNT.—**The amount of a rebate or waiver provided as an incentive under paragraph (1)(A) to remine or reclaim eligible land shall not exceed the estimated cost of reclaiming the eligible land under this section.”.

SEC. 318. EXTENSION OF LIMITATION ON APPLICATION OF PROHIBITION ON ISSUANCE OF PERMIT.

Section 510(e) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1260(e)) is amended by striking the last sentence.

SEC. 319. TRIBAL REGULATION OF SURFACE COAL MINING AND RECLAMATION OPERATIONS.

(a) IN GENERAL.—Section 710 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1300) is amended by adding at the end the following:

“(j) TRIBAL REGULATORY AUTHORITY.—

“(1) TRIBAL REGULATORY PROGRAMS.—

“(A) IN GENERAL.—Notwithstanding any other provision of law, an Indian tribe may apply for, and obtain the approval of, a tribal program under section 503 regulating in whole or in part surface coal mining and reclamation operations on reservation land under the jurisdiction of the Indian tribe using the procedures of section 504(e).

“(B) REFERENCES TO STATE.—For purposes of this subsection and the implementation and administration of a tribal program under title V, any reference to a ‘State’ in this Act shall be considered to be a reference to a ‘tribe’.

“(2) CONFLICTS OF INTEREST.—

“(A) IN GENERAL.—The fact that an individual is a member of an Indian tribe does not in itself constitute a violation of section 201(f).

“(B) EMPLOYEES OF TRIBAL REGULATORY AUTHORITY.—Any employee of a tribal regulatory authority shall not be eligible for a per capita distribution of any proceeds from coal mining operations conducted on Indian reservation lands under this Act.

“(3) SOVEREIGN IMMUNITY.—To receive primary regulatory authority under section 504(e), an Indian tribe shall waive sovereign immunity for purposes of section 520 and paragraph (4).

“(4) JUDICIAL REVIEW.—

“(A) CIVIL ACTIONS.—

“(i) IN GENERAL.—After exhausting all tribal remedies with respect to a civil action arising under a tribal program approved under section 504(e), an interested party may file a petition for judicial review of the civil action in the United States circuit court for the circuit in which the surface coal mining operation named in the petition is located.

“(ii) SCOPE OF REVIEW.—

“(I) QUESTIONS OF LAW.—The United States circuit court shall review de novo any questions of law under clause (i).

“(II) FINDINGS OF FACT.—The United States circuit court shall review findings of fact under clause (i) using a clearly erroneous standard.

“(B) CRIMINAL ACTIONS.—Any criminal action brought under section 518 with respect to surface coal mining or reclamation operations on Indian reservation lands shall be brought in—

“(i) the United States District Court for the District of Columbia; or

“(ii) the United States district court in which the criminal activity is alleged to have occurred.

“(5) GRANTS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), grants for developing, administering, and enforcing tribal programs approved in accordance with section 504(e) shall be provided to an Indian tribe in accordance with section 705.

“(B) EXCEPTION.—Notwithstanding subparagraph (A), the Federal share of the costs of developing, administering, and enforcing an approved tribal program shall be 100 percent.

“(6) REPORT.—Not later than 18 months after the date on which a tribal program is

approved under subsection (e) of section 504, the Secretary shall submit to the appropriate committees of Congress a report, developed in cooperation with the applicable Indian tribe, on the tribal program that includes a recommendation of the Secretary on whether primary regulatory authority under that subsection should be expanded to include additional Indian lands.”.

(b) CONFORMING AMENDMENT.—Section 710(i) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1300(i)) is amended in the first sentence by striking “, except” and all that follows through “section 503”.

Subtitle B—Coal Industry Retiree Health Benefit Act

SEC. 321. CERTAIN RELATED PERSONS AND SUCCESSORS IN INTEREST RELIEVED OF LIABILITY IF PREMIUMS PREPAID.

(a) COMBINED BENEFIT FUND.—

(1) IN GENERAL.—Section 9704 of the Internal Revenue Code of 1986 (relating to liability of assigned operators) is amended by adding at the end the following new subsection:

“(j) PREPAYMENT OF PREMIUM LIABILITY.—

“(1) IN GENERAL.—If—

“(A) a payment meeting the requirements of paragraph (3) is made to the Combined Fund by or on behalf of—

“(i) any assigned operator to which this subsection applies, or

“(ii) any related person to any assigned operator described in clause (i), and

“(B) the common parent of the controlled group of corporations described in paragraph (2)(B) is jointly and severally liable for any premium under this section which (but for this subsection) would be required to be paid by the assigned operator or related person, then such common parent (and no other person) shall be liable for such premium.

“(2) ASSIGNED OPERATORS TO WHICH SUBSECTION APPLIES.—

“(A) IN GENERAL.—This subsection shall apply to any assigned operator if—

“(i) the assigned operator (or a related person to the assigned operator)—

“(I) made contributions to the 1950 UMW Benefit Plan and the 1974 UMW Benefit Plan for employment during the period covered by the 1988 agreement; and

“(II) is not a 1988 agreement operator,

“(ii) the assigned operator (and all related persons to the assigned operator) are not actively engaged in the production of coal as of July 1, 2005, and

“(iii) the assigned operator was, as of July 20, 1992, a member of a controlled group of corporations described in subparagraph (B).

“(B) CONTROLLED GROUP OF CORPORATIONS.—A controlled group of corporations is described in this subparagraph if the common parent of such group is a corporation the shares of which are publicly traded on a United States exchange.

“(C) COORDINATION WITH REPEAL OF ASSIGNMENTS.—A person shall not fail to be treated as an assigned operator to which this subsection applies solely because the person ceases to be an assigned operator by reason of section 9706(h)(1) if the person otherwise meets the requirements of this subsection and is liable for the payment of premiums under section 9706(h)(3).

“(D) CONTROLLED GROUP.—For purposes of this subsection, the term ‘controlled group of corporations’ has the meaning given such term by section 52(a).

“(3) REQUIREMENTS.—A payment meets the requirements of this paragraph if—

“(A) the amount of the payment is not less than the present value of the total premium liability under this chapter with respect to the Combined Fund of the assigned operators or related persons described in paragraph (1) or their assignees, as determined by the op-

erator’s or related person’s enrolled actuary (as defined in section 7701(a)(35)) using actuarial methods and assumptions each of which is reasonable and which are reasonable in the aggregate, as determined by such enrolled actuary;

“(B) such enrolled actuary files with the Secretary of Labor a signed actuarial report containing—

“(i) the date of the actuarial valuation applicable to the report; and

“(ii) a statement by the enrolled actuary signing the report that, to the best of the actuary’s knowledge, the report is complete and accurate and that in the actuary’s opinion the actuarial assumptions used are in the aggregate reasonably related to the experience of the operator and to reasonable expectations; and

“(C) 90 calendar days have elapsed after the report required by subparagraph (B) is filed with the Secretary of Labor, and the Secretary of Labor has not notified the assigned operator in writing that the requirements of this paragraph have not been satisfied.

“(4) USE OF PREPAYMENT.—The Combined Fund shall—

“(A) establish and maintain an account for each assigned operator or related person by, or on whose behalf, a payment described in paragraph (3) was made,

“(B) credit such account with such payment (and any earnings thereon), and

“(C) use all amounts in such account exclusively to pay premiums that would (but for this subsection) be required to be paid by the assigned operator.

Upon termination of the obligations for the premium liability of any assigned operator or related person for which such account is maintained, all funds remaining in such account (and earnings thereon) shall be refunded to such person as may be designated by the common parent described in paragraph (1)(B).”.

(b) INDIVIDUAL EMPLOYER PLANS.—Section 9711(c) of the Internal Revenue Code of 1986 (relating to joint and several liability) is amended to read as follows:

“(c) JOINT AND SEVERAL LIABILITY OF RELATED PERSONS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), each related person of a last signatory operator to which subsection (a) or (b) applies shall be jointly and severally liable with the last signatory operator for the provision of health care coverage described in subsection (a) or (b).

“(2) LIABILITY LIMITED IF SECURITY PROVIDED.—If—

“(A) security meeting the requirements of paragraph (3) is provided by or on behalf of—

“(i) any last signatory operator which is an assigned operator described in section 9704(j)(2), or

“(ii) any related person to any last signatory operator described in clause (i), and

“(B) the common parent of the controlled group of corporations described in section 9704(j)(2)(B) is jointly and severally liable for the provision of health care under this section which, but for this paragraph, would be required to be provided by the last signatory operator or related person,

then, as of the date the security is provided, such common parent (and no other person) shall be liable for the provision of health care under this section which the last signatory operator or related person would otherwise be required to provide. Security may be provided under this paragraph without regard to whether a payment was made under section 9704(j).

“(3) SECURITY.—Security meets the requirements of this paragraph if—

“(A) the security—

“(i) is in the form of a bond, letter of credit, or cash escrow,

“(ii) is provided to the trustees of the 1992 UMWA Benefit Plan solely for the purpose of paying premiums for beneficiaries who would be described in section 9712(b)(2)(B) if the requirements of this section were not met by the last signatory operator, and

“(iii) is in an amount equal to 1 year of liability of the last signatory operator under this section, determined by using the average cost of such operator’s liability during the prior 3 calendar years;

“(B) the security is in addition to any other security required under any other provision of this title; and

“(C) the security remains in place for 5 years.

“(4) REFUNDS OF SECURITY.—The remaining amount of any security provided under this subsection (and earnings thereon) shall be refunded to the last signatory operator as of the earlier of—

“(A) the termination of the obligations of the last signatory operator under this section, or

“(B) the end of the 5-year period described in paragraph (4)(C).”.

(c) 1992 UMWA BENEFIT PLAN.—Section 9712(d)(4) of the Internal Revenue Code of 1986 (relating to joint and several liability) is amended by adding at the end the following new sentence: “The provisions of section 9711(c)(2) shall apply to any last signatory operator described in such section (without regard to whether security is provided under such section, a payment is made under section 9704(j), or both) and if security meeting the requirements of section 9711(c)(3) is provided, the common parent described in section 9711(c)(2)(B) shall be exclusively responsible for any liability for premiums under this section which, but for this sentence, would be required to be paid by the last signatory operator or any related person.”.

(d) SUCCESSOR IN INTEREST.—Section 9701(c) of the Internal Revenue Code of 1986 (relating to terms relating to operators) is amended by adding at the end the following new paragraph:

“(8) SUCCESSOR IN INTEREST.—

“(A) SAFE HARBOR.—The term ‘successor in interest’ shall not include any person who—

“(i) is an unrelated person to an eligible seller described in subparagraph (C); and

“(ii) purchases for fair market value assets, or all of the stock, of a related person to such seller, in a bona fide, arm’s-length sale.

“(B) UNRELATED PERSON.—The term ‘unrelated person’ means a purchaser who does not bear a relationship to the eligible seller described in section 267(b).

“(C) ELIGIBLE SELLER.—For purposes of this paragraph, the term ‘eligible seller’ means an assigned operator described in section 9704(j)(2) or a related person to such assigned operator.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, except that the amendment made by subsection (d) shall apply to transactions after the date of the enactment of this Act.

SEC. 322. TRANSFERS TO FUNDS; PREMIUM RELIEF.

(a) COMBINED FUND.—

(1) FEDERAL TRANSFERS.—Section 9705(b) of the Internal Revenue Code of 1986 (relating to transfers from Abandoned Mine Reclamation Fund) is amended—

(A) in paragraph (1), by striking “section 402(h)” and inserting “subsections (h) and (i) of section 402”; and

(B) by striking paragraph (2) and inserting the following new paragraph:

“(2) USE OF FUNDS.—Any amount transferred under paragraph (1) for any fiscal year

shall be used to pay benefits and administrative costs of beneficiaries of the Combined Fund or for such other purposes as are specifically provided in the Acts described in paragraph (1).”; and

(C) by striking “FROM ABANDONED MINE RECLAMATION FUND”.

(2) MODIFICATIONS OF PREMIUMS TO REFLECT FEDERAL TRANSFERS.—

(A) ELIMINATION OF UNASSIGNED BENEFICIARIES PREMIUM.—Section 9704(d) of such Code (establishing unassigned beneficiaries premium) is amended to read as follows:

“(d) UNASSIGNED BENEFICIARIES PREMIUM.—

“(1) PLAN YEARS ENDING ON OR BEFORE SEPTEMBER 30, 2006.—For plan years ending on or before September 30, 2006, the unassigned beneficiaries premium for any assigned operator shall be equal to the applicable percentage of the product of the per beneficiary premium for the plan year multiplied by the number of eligible beneficiaries who are not assigned under section 9706 to any person for such plan year.

“(2) PLAN YEARS BEGINNING ON OR AFTER OCTOBER 1, 2006.—

“(A) IN GENERAL.—For plan years beginning on or after October 1, 2006, subject to subparagraph (B), there shall be no unassigned beneficiaries premium, and benefit costs with respect to eligible beneficiaries who are not assigned under section 9706 to any person for any such plan year shall be paid from amounts transferred under section 9705(b).

“(B) INADEQUATE TRANSFERS.—If, for any plan year beginning on or after October 1, 2006, the amounts transferred under section 9705(b) are less than the amounts required to be transferred to the Combined Fund under subsection (h)(2)(A) or (i) of section 402 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232), then the unassigned beneficiaries premium for any assigned operator shall be equal to the operator’s applicable percentage of the amount required to be so transferred which was not so transferred.”.

(B) PREMIUM ACCOUNTS.—

(i) CREDITING OF ACCOUNTS.—Section 9704(e)(1) of such Code (relating to premium accounts; adjustments) is amended by inserting “and amounts transferred under section 9705(b)” after “premiums received”.

(ii) SURPLUSES ATTRIBUTABLE TO PUBLIC FUNDING.—Section 9704(e)(3)(A) of such Code is amended by adding at the end the following new sentence: “Amounts credited to an account from amounts transferred under section 9705(b) shall not be taken into account in determining whether there is a surplus in the account for purposes of this paragraph.”.

(C) APPLICABLE PERCENTAGE.—Section 9704(f)(2) of such Code (relating to annual adjustments) is amended by adding at the end the following new subparagraph:

“(C) In the case of plan years beginning on or after October 1, 2007, the total number of assigned eligible beneficiaries shall be reduced by the eligible beneficiaries whose assignments have been revoked under section 9706(h).”.

(3) ASSIGNMENTS AND REASSIGNMENT.—Section 9706 of the Internal Revenue Code of 1986 (relating to assignment of eligible beneficiaries) is amended by adding at the end the following:

“(h) ASSIGNMENTS AS OF OCTOBER 1, 2007.—

“(1) IN GENERAL.—Subject to the premium obligation set forth in paragraph (3), the Commissioner of Social Security shall—

“(A) revoke all assignments to persons other than 1988 agreement operators for purposes of assessing premiums for plan years beginning on and after October 1, 2007; and

“(B) make no further assignments to persons other than 1988 agreement operators,

except that no individual who becomes an unassigned beneficiary by reason of subparagraph (A) may be assigned to a 1988 agreement operator.

“(2) REASSIGNMENT UPON PURCHASE.—This subsection shall not be construed to prohibit the reassignment under subsection (b)(2) of an eligible beneficiary.

“(3) LIABILITY OF PERSONS DURING THREE FISCAL YEARS BEGINNING ON AND AFTER OCTOBER 1, 2007.—In the case of each of the fiscal years beginning on October 1, 2007, 2008, and 2009, each person other than a 1988 agreement operator shall pay to the Combined Fund the following percentage of the amount of annual premiums that such person would otherwise be required to pay under section 9704(a), determined on the basis of assignments in effect without regard to the revocation of assignments under paragraph (1)(A):

“(A) For the fiscal year beginning on October 1, 2007, 55 percent.

“(B) For the fiscal year beginning on October 1, 2008, 40 percent.

“(C) For the fiscal year beginning on October 1, 2009, 15 percent.”.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to plan years of the Combined Fund beginning after September 30, 2006.

(b) 1992 UMWA BENEFIT AND OTHER PLANS.—

(1) TRANSFERS TO PLANS.—Section 9712(a) of the Internal Revenue Code of 1986 (relating to the establishment and coverage of the 1992 UMWA Benefit Plan) is amended by adding at the end the following:

“(3) TRANSFERS UNDER OTHER FEDERAL STATUTES.—

“(A) IN GENERAL.—The 1992 UMWA Benefit Plan shall include any amount transferred to the plan under subsections (h) and (i) of section 402 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232).

“(B) USE OF FUNDS.—Any amount transferred under subparagraph (A) for any fiscal year shall be used to provide the health benefits described in subsection (c) with respect to any beneficiary for whom no monthly per beneficiary premium is paid pursuant to paragraph (1)(A) or (3) of subsection (d).

“(4) SPECIAL RULE FOR 1993 PLAN.—

“(A) IN GENERAL.—The plan described in section 402(h)(2)(C) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232(h)(2)(C)) shall include any amount transferred to the plan under subsections (h) and (i) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232).

“(B) USE OF FUNDS.—Any amount transferred under subparagraph (A) for any fiscal year shall be used to provide the health benefits described in section 402(h)(2)(C)(i) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232(h)(2)(C)(i)) to individuals described in section 402(h)(2)(C) of such Act (30 U.S.C. 1232(h)(2)(C)).”.

(2) PREMIUM ADJUSTMENTS.—

(A) IN GENERAL.—Section 9712(d)(1) of such Code (relating to guarantee of benefits) is amended to read as follows:

“(1) IN GENERAL.—All 1988 last signatory operators shall be responsible for financing the benefits described in subsection (c) by meeting the following requirements in accordance with the contribution requirements established in the 1992 UMWA Benefit Plan:

“(A) The payment of a monthly per beneficiary premium by each 1988 last signatory operator for each eligible beneficiary of such operator who is described in subsection (b)(2) and who is receiving benefits under the 1992 UMWA benefit plan.

“(B) The provision of a security (in the form of a bond, letter of credit, or cash escrow) in an amount equal to a portion of the

projected future cost to the 1992 UMWA Benefit Plan of providing health benefits for eligible and potentially eligible beneficiaries attributable to the 1988 last signatory operator.

“(C) If the amounts transferred under subsection (a)(3) are less than the amounts required to be transferred to the 1992 UMWA Benefit Plan under subsections (h) and (i) of section 402 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232), the payment of an additional backstop premium by each 1988 last signatory operator which is equal to such operator’s share of the amounts required to be so transferred but which were not so transferred, determined on the basis of the number of eligible and potentially eligible beneficiaries attributable to the operator.”.

(B) CONFORMING AMENDMENTS.—Section 9712(d) of such Code is amended—

(i) in paragraph (2)(B), by striking “prefunding” and inserting “backstop”, and

(ii) in paragraph (3), by striking “paragraph (1)(B)” and inserting “paragraph (1)(A)”.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to fiscal years beginning on or after October 1, 2010.

SEC. 323. OTHER PROVISIONS.

(a) BOARD OF TRUSTEES.—Section 9702(b) of the Internal Revenue Code of 1986 (relating to board of trustees of the Combined Fund) is amended to read as follows:

“(b) BOARD OF TRUSTEES.—

“(1) IN GENERAL.—For purposes of subsection (a), the board of trustees for the Combined Fund shall be appointed as follows:

“(A) 2 individuals who represent employers in the coal mining industry shall be designated by the BCOA;

“(B) 2 individuals designated by the United Mine Workers of America; and

“(C) 3 individuals selected by the individuals appointed under subparagraphs (A) and (B).

“(2) SUCCESSOR TRUSTEES.—Any successor trustee shall be appointed in the same manner as the trustee being succeeded. The plan establishing the Combined Fund shall provide for the removal of trustees.

“(3) SPECIAL RULE.—If the BCOA ceases to exist, any trustee or successor under paragraph (1)(A) shall be designated by the 3 employers who were members of the BCOA on the enactment date and who have been assigned the greatest number of eligible beneficiaries under section 9706.”.

(b) ENFORCEMENT OF OBLIGATIONS.—

(1) FAILURE TO PAY PREMIUMS.—Section 9707(a) of the Internal Revenue Code of 1986 is amended to read as follows:

“(a) FAILURES TO PAY.—

“(1) PREMIUMS FOR ELIGIBLE BENEFICIARIES.—There is hereby imposed a penalty on the failure of any assigned operator to pay any premium required to be paid under section 9704 with respect to any eligible beneficiary.

“(2) CONTRIBUTIONS REQUIRED UNDER THE MINING LAWS.—There is hereby imposed a penalty on the failure of any person to make a contribution required under section 402(h)(5)(B)(ii) of the Surface Mining Control and Reclamation Act of 1977 to a plan referred to in section 402(h)(2)(C) of such Act. For purposes of applying this section, each such required monthly contribution for the hours worked of any individual shall be treated as if it were a premium required to be paid under section 9704 with respect to an eligible beneficiary.”.

(2) CIVIL ENFORCEMENT.—Section 9721 of such Code is amended to read as follows:

“SEC. 9721. CIVIL ENFORCEMENT.

“The provisions of section 4301 of the Employee Retirement Income Security Act of

1974 shall apply, in the same manner as any claim arising out of an obligation to pay withdrawal liability under subtitle E of title IV of such Act, to any claim—

“(1) arising out of an obligation to pay any amount required to be paid by this chapter; or

“(2) arising out of an obligation to pay any amount required by section 402(h)(5)(B)(ii) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232(h)(5)(B)(ii)).”.

SA 4796. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE”, up to \$6,000,000 may be available for Military-Standard-1760 (MIL-STD 1760) integration for the internal weapons bays of B-52 aircraft.

SA 4797. Mr. VOINOVICH (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 218, between lines 6 and 7, insert the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, \$1,000,000 may be available for the Portable Battery Operated Solid-State Electrochemical Oxygen Generator project for the purpose of developing a field-portable oxygen generation device to enable the quick administration of oxygen to members of the Armed Forces wounded in action.

SA 4798. Mr. ISAKSON submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, up to \$1,000,000 may be available for environmental management and compliance information.

SA 4799. Mr. DEWINE (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) ADDITIONAL AMOUNT FOR SHIPBUILDING AND CONVERSION, NAVY.—The amount appropriated by title III under the heading “SHIPBUILDING AND CONVERSION, NAVY” is hereby increased by \$23,000,000.

(b) AVAILABILITY.—Of the amount appropriated by title III under the heading “SHIPBUILDING AND CONVERSION, NAVY”, as in-

creased by subsection (a), up to \$23,000,000 may be available for the Carrier Replacement Program.

(c) SUPPLEMENT NOT SUPPLANT.—Amounts available under subsection (b) for the purpose specified in that subsection are in addition to any other amounts available under this Act for that purpose.

(d) OFFSET.—The amount appropriated by title II under the heading “OPERATION AND MAINTENANCE, DEFENSE-WIDE” is hereby reduced by \$23,000,000.

SA 4800. Mr. DEWINE (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) ADDITIONAL AMOUNT FOR SHIPBUILDING AND CONVERSION, NAVY.—The amount appropriated by title III under the heading “SHIPBUILDING AND CONVERSION, NAVY” is hereby increased by \$23,000,000.

(b) AVAILABILITY.—Of the amount appropriated by title III under the heading “SHIPBUILDING AND CONVERSION, NAVY”, as increased by subsection (a), up to \$23,000,000 may be available for the Carrier Replacement Program.

(c) SUPPLEMENT NOT SUPPLANT.—Amounts available under subsection (b) for the purpose specified in that subsection are in addition to any other amounts available under this Act for that purpose.

SA 4801. Mr. DEWINE (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title III under the heading “SHIPBUILDING AND CONVERSION, NAVY”, up to \$23,000,000 may be available for the Carrier Replacement Program for advance procurement of nuclear propulsion equipment.

SA 4802. Mr. KENNEDY (for himself, Mr. REID, Mr. BIDEN, Mr. LEVIN, Mr. REED, Mr. LAUTENBERG, and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

On page 150, line 24, insert before the period the following: “: *Provided*, That Director of National Intelligence shall, utilizing amounts appropriated by this heading, prepare by not later than October 1, 2006, a new National Intelligence Estimate on Iraq with an assessment by the intelligence community of critical political, economic, and security trends in Iraq, which shall address such matters as the Director of National Intelligence considers appropriate, including (1) an assessment whether Iraq is in or is descending into civil war and the actions that will prevent or reverse deterioration of conditions promoting civil war, including sectarianism, (2) an assessment whether Iraq is

succeeding in standing up effective security forces, and the actions that will increase the chances of that occurring, including an assessment of (A) the extent to which militias are providing security in Iraq, and (B) the extent to which the Government of Iraq has developed and implemented a credible plan to disarm and demobilize and reintegrate militias into government security forces and is working to obtain a political commitment from political parties to ban militias, (3) an assessment of (A) the extent of the threat from violent extremist-related terrorism, including al Qaeda, in and from Iraq, (B) the extent to which terrorism in Iraq has exacerbated terrorism in the region and globally, (C) the extent to which terrorism in Iraq has increased the threat to United States persons and interests around the world, and (D) actions to address the terrorist threat, (4) an assessment whether Iraq is succeeding in creating a stable and effective unity government, the likelihood that changes to the constitution will be made to address concerns of the Sunni community, and the actions that will increase the chances of that occurring, (5) an assessment (A) whether Iraq is succeeding in rebuilding its economy and creating economic prosperity for Iraqis, (B) the likelihood that economic reconstruction in Iraq will significantly diminish the dependence of Iraq on foreign aid to meet its domestic economic needs, and (C) the actions that will increase the chances of that occurring, (6) a description of the optimistic, most likely, and pessimistic scenarios for the stability of Iraq through 2007, (7) an assessment whether, and in what ways, the large-scale presence of multinational forces in Iraq helps or hinders the chances of success in Iraq; and (8) an assessment of the extent to which the situation in Iraq is affecting relations with Iran, Saudi Arabia, Turkey, and other countries in the region: *Provided further*, That, not later than October 1, 2006, the Director of National Intelligence shall submit to Congress the National Intelligence Estimate prepared under the preceding proviso, together with an unclassified summary of the National Intelligence Estimate: *Provided further*, That if the Director of National Intelligence is unable to submit the National Intelligence Estimate by the date specified in the preceding proviso, the Director shall submit to Congress, not later than that date, a report setting forth the reasons for being unable to do so”.

SA 4803. Mr. BYRD submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) INTERIM REPORT ON MANAGEMENT OF BIOMETRICS PROGRAM.—Not later than September 8, 2006, the Secretary of Defense shall submit to the congressional defense committees an interim report on the management of the biometrics program of the Department of Defense.

(b) **FINAL REPORT.**—Not later than October 15, 2006, the Secretary shall submit to the congressional defense committees a final report on the management of the biometrics program of the Department of Defense.

(c) **REPORT ELEMENTS.**—Each report under this section shall include, current as of the date of such report, the following:

(1) A detailed description of the recommendations of the Defense Science Board regarding the management of the biometrics program of the Department of Defense.

(2) Such recommendations as the Defense Science Board considers appropriate regard-

ing changes of mission for the existing biometrics support officers.

SA 4804. Mr. LAUTENBERG (for himself, Mr. HARKIN, Ms. STABENOW, Mr. LIEBERMAN, Mrs. LINCOLN, and Mr. MENENDEZ) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. No funds appropriated or otherwise made available to the Department of Defense under title VI under the heading “DEFENSE HEALTH PROGRAM” may be obligated or expended unless, during the period beginning on October 1, 2006, and ending on September 30, 2007, the cost sharing requirements established under paragraph (6) of section 1074g(a) of title 10, United States Code, for pharmaceutical agents available through retail pharmacies covered by paragraph (2)(E)(ii) of such section do not exceed amounts as follows:

(1) In the case of generic agents, \$3.

(2) In the case of formulary agents, \$9.

(3) In the case of nonformulary agents, \$22.

SA 4805. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

On page 238, after line 24, add the following:

TITLE X—ELIMINATION OF FRAUD IN GOVERNMENT CONTRACTING

SEC. 10001. SHORT TITLE.

This title may be cited as the “Honest Leadership and Accountability in Contracting Act of 2006”.

Subtitle A—Elimination of Fraud and Abuse

SEC. 10011. PROHIBITION OF WAR PROFITEERING AND FRAUD.

(a) PROHIBITION.—

(1) **IN GENERAL.**—Chapter 47 of title 18, United States Code, is amended by adding at the end the following:

“§ 1039. War profiteering and fraud

“(a) PROHIBITION.—

“(1) **IN GENERAL.**—Whoever, in any matter involving a contract or the provision of goods or services, directly or indirectly, in connection with a war or military action knowingly and willfully—

“(A) executes or attempts to execute a scheme or artifice to defraud the United States or the entity having jurisdiction over the area in which such activities occur;

“(B) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;

“(C) makes any materially false, fictitious, or fraudulent statements or representations, or makes or uses any materially false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; or

“(D) materially overvalues any good or service with the specific intent to excessively profit from the war or military action; shall be fined under paragraph (2), imprisoned not more than 20 years, or both.

“(2) **FINE.**—A person convicted of an offense under paragraph (1) may be fined the greater of—

“(A) \$1,000,000; or

“(B) if such person derives profits or other proceeds from the offense, not more than twice the gross profits or other proceeds.

“(b) **EXTRATERRITORIAL JURISDICTION.**—There is extraterritorial Federal jurisdiction over an offense under this section.

“(c) **VENUE.**—A prosecution for an offense under this section may be brought—

“(1) as authorized by chapter 211 of this title;

“(2) in any district where any act in furtherance of the offense took place; or

“(3) in any district where any party to the contract or provider of goods or services is located.”.

(2) **CLERICAL AMENDMENT.**—The table of sections for chapter 47 of title 18, United States Code, is amended by adding at the end the following:

“1039. War profiteering and fraud.”.

(b) **CIVIL FORFEITURE.**—Section 981(a)(1)(C) of title 18, United States Code, is amended by inserting “1039,” after “1032.”.

(c) **CRIMINAL FORFEITURE.**—Section 982(a)(2)(B) of title 18, United States Code, is amended by striking “or 1030” and inserting “1030, or 1039”.

(d) **TREATMENT UNDER MONEY LAUNDERING OFFENSE.**—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting the following: “, section 1039 (relating to war profiteering and fraud)” after “liquidating agent of financial institution).”.

SEC. 10012. SUSPENSION AND DEBARMENT OF UNETHICAL CONTRACTORS.

(a) **IN GENERAL.**—Not later than 90 days after the date of the enactment of this Act, the Federal Acquisition Regulation issued pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) shall be revised to provide that no prospective contractor shall be considered to have a satisfactory record of integrity and business ethics if it—

(1) has exhibited a pattern of overcharging the Government under Federal contracts; or

(2) has exhibited a pattern of failing to comply with the law, including tax, labor and employment, environmental, antitrust, and consumer protection laws.

(b) **EFFECTIVE DATE.**—The revised regulation required by this section shall apply with respect to all contracts for which solicitations are issued after the date that is 90 days after the date of the enactment of this Act.

SEC. 10013. DISCLOSURE OF AUDIT REPORTS.

(a) **DISCLOSURE OF INFORMATION TO CONGRESS.**—

(1) **IN GENERAL.**—The head of each executive agency shall maintain a list of audit reports issued by the agency during the current and previous calendar years that—

(A) describe significant contractor costs that have been identified as unjustified, unsupported, questioned, or unreasonable under any contract, task or delivery order, or subcontract; or

(B) identify significant or substantial deficiencies in any business system of any contractor under any contract, task or delivery order, or subcontract.

(2) **SUBMISSION OF INDIVIDUAL AUDITS.**—The head of each executive agency shall provide, within 14 days of a request in writing by the chairman or ranking member of a committee of jurisdiction, a full and unredacted copy of—

(A) the current version of the list maintained pursuant to paragraph (1); or

(B) any audit or other report identified on such list.

(b) **PUBLICATION OF INFORMATION ON FEDERAL CONTRACTOR PENALTIES AND VIOLATIONS.**—

(1) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, the Federal Procurement Data System shall be modified to include—

(A) information on instances in which any major contractor has been fined, paid penalties or restitution, settled, plead guilty to, or had judgments entered against it in connection with allegations of improper conduct; and

(B) information on all sole source contract awards in excess of \$2,000,000 entered into by an executive agency.

(2) PUBLICLY AVAILABLE WEBSITE.—The information required by paragraph (1) shall be made available through the publicly available website of the Federal Procurement Data System.

Subtitle B—Contract Matters

Part 1—Competition in Contracting

SEC. 10021. PROHIBITION ON AWARD OF MONOPOLY CONTRACTS.

(a) CIVILIAN AGENCY CONTRACTS.—Section 303H(d) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h(d)) is amended by adding at the end the following new paragraph:

“(4)(A) No task or delivery order contract in an amount estimated to exceed \$100,000,000 (including all options) may be awarded to a single contractor unless the head of the agency determines in writing that—

“(i) because of the size, scope, or method of performance of the requirement, it would not be practical to award multiple task or delivery order contracts;

“(ii) the task orders expected under the contract are so integrally related that only a single contractor can reasonably perform the work; or

“(iii) for any other reason, it is necessary in the public interest to award the contract to a single contractor.

“(B) The head of the agency shall notify Congress within 30 days of any determination under subparagraph (A)(iii).”.

(b) DEFENSE CONTRACTS.—Section 2304a(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(4)(A) No task or delivery order contract in an amount estimated to exceed \$100,000,000 (including all options) may be awarded to a single contractor unless the head of the agency determines in writing that—

“(i) because of the size, scope, or method of performance of the requirement, it would not be practical to award multiple task or delivery order contracts;

“(ii) the task orders expected under the contract are so integrally related that only a single contractor can reasonably perform the work; or

“(iii) for any other reason, it is necessary in the public interest to award the contract to a single contractor.

“(B) The head of the agency shall notify Congress within 30 days of any determination under subparagraph (A)(iii).”.

SEC. 10022. COMPETITION IN MULTIPLE AWARD CONTRACTS.

(a) REGULATIONS REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulation shall be revised to require competition in the purchase of goods and services by each executive agency pursuant to multiple award contracts.

(b) CONTENT OF REGULATIONS.—(1) The regulations required by subsection (a) shall provide, at a minimum, that each individual purchase of goods or services in excess of \$1,000,000 that is made under a multiple award contract shall be made on a competitive basis unless a contracting officer of the executive agency—

(A) waives the requirement on the basis of a determination that—

(i) one of the circumstances described in paragraphs (1) through (4) of section 303J(b) of the Federal Property and Administrative

Services Act of 1949 (41 U.S.C. 253j(b)) applies to such individual purchase; or

(ii) a statute expressly authorizes or requires that the purchase be made from a specified source; and

(B) justifies the determination in writing.

(2) For purposes of this subsection, an individual purchase of goods or services is made on a competitive basis only if it is made pursuant to procedures that—

(A) require fair notice of the intent to make that purchase (including a description of the work to be performed and the basis on which the selection will be made) to be provided to all contractors offering such goods or services under the multiple award contract; and

(B) afford all contractors responding to the notice a fair opportunity to make an offer and have that offer fairly considered by the official making the purchase.

(3) Notwithstanding paragraph (2), notice may be provided to fewer than all contractors offering such goods or services under a multiple award contract described in subsection (c)(2)(A) if notice is provided to as many contractors as practicable.

(4) A purchase may not be made pursuant to a notice that is provided to fewer than all contractors under paragraph (3) unless—

(A) offers were received from at least three qualified contractors; or

(B) a contracting officer of the executive agency determines in writing that no additional qualified contractors were able to be identified despite reasonable efforts to do so.

(c) DEFINITIONS.—In this section:

(1) The term “individual purchase” means a task order, delivery order, or other purchase.

(2) The term “multiple award contract” means—

(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 309(b)(3) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259(b)(3));

(B) a multiple award task order contract that is entered into under the authority of sections 2304a through 2304d of title 10, United States Code, or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

(C) any other indefinite delivery, indefinite quantity contract that is entered into by the head of an executive agency with two or more sources pursuant to the same solicitation.

(d) APPLICABILITY.—The revisions to the Federal Acquisition Regulation pursuant to subsection (a) shall take effect not later than 180 days after the date of the enactment of this Act, and shall apply to all individual purchases of goods or services that are made under multiple award contracts on or after the effective date, without regard to whether the multiple award contracts were entered into before, on, or after such effective date.

(e) CONFORMING AMENDMENTS TO DEFENSE CONTRACT PROVISION.—Section 803 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 10 U.S.C. 2304 note) is amended as follows:

(1) GOODS COVERED.—(A) The section heading is amended by inserting “GOODS OR” before “SERVICES”.

(B) Subsection (a) is amended by inserting “goods and” before “services”.

(C) The following provisions are amended by inserting “goods or” before “services” each place it appears:

(i) Paragraphs (1), (2), and (3) of subsection (b).

(ii) Subsection (d).

(D) Such section is amended by adding at the end the following new subsection:

“(e) APPLICABILITY TO GOODS.—The Secretary shall revise the regulations promulgated pursuant to subsection (a) to cover purchases of goods by the Department of Defense pursuant to multiple award contracts. The revised regulations shall take effect in final form not later than 180 days after the date of the enactment of this subsection and shall apply to all individual purchases of goods that are made under multiple award contracts on or after the effective date, without regard to whether the multiple award contracts were entered into before, on, or after such effective date.”.

(f) PROTEST RIGHTS FOR CERTAIN AWARDS.—

(1) CIVILIAN AGENCY CONTRACTS.—Section 303J(d) of the Federal Property and Administrative Services Act (41 U.S.C. 253j(d)) is amended by inserting “with a value of less than \$500,000” after “task or delivery order”.

(2) DEFENSE CONTRACTS.—Section 2304c(d) of title 10, United States Code, is amended by inserting “with a value of less than \$500,000” after “task or delivery order”.

Part 2—Contract Personnel Matters

SEC. 10031. CONTRACTOR CONFLICTS OF INTEREST.

(a) PROHIBITION ON CONTRACTS RELATING TO INHERENTLY GOVERNMENTAL FUNCTIONS.—The head of an agency may not enter into a contract for the performance of any inherently governmental function.

(b) PROHIBITION ON CONTRACTS FOR CONTRACT OVERSIGHT.—

(1) PROHIBITION.—The head of an agency may not enter into a contract for the performance of acquisition functions closely associated with inherently governmental functions with any entity unless the head of the agency determines in writing that—

(A) neither that entity nor any related entity will be responsible for performing any of the work under a contract which the entity will help plan, evaluate, select a source, manage or oversee; and

(B) the agency has taken appropriate steps to prevent or mitigate any organizational conflict of interest that may arise because the entity—

(i) has a separate ongoing business relationship, such as a joint venture or contract, with any of the contractors to be overseen;

(ii) would be placed in a position to affect the value or performance of work it or any related entity is doing under any other Government contract;

(iii) has a reverse role with the contractor to be overseen under one or more separate Government contracts; or

(iv) has some other relationship with the contractor to be overseen that could reasonably appear to bias the contractor's judgment.

(2) RELATED ENTITY DEFINED.—In this subsection, the term “related entity”, with respect to a contractor, means any subsidiary, parent, affiliate, joint venture, or other entity related to the contractor.

(c) DEFINITIONS.—In this section:

(1) The term “inherently governmental functions” has the meaning given to such term in part 7.5 of the Federal Acquisition Regulation.

(2) The term “functions closely associated with governmental functions” means the functions described in section 7.503(d) of the Federal Acquisition Regulation.

(3) The term “organizational conflict of interest” has the meaning given such term in part 9.5 of the Federal Acquisition Regulation.

(d) EFFECTIVE DATE AND APPLICABILITY.—This section shall take effect on the date of the enactment of this Act and shall apply to—

(1) contracts entered into on or after such date;

(2) any task or delivery order issued on or after such date under a contract entered into before, on, or after such date; and

(3) any decision on or after such date to exercise an option or otherwise extend a contract for the performance of a function relating to contract oversight regardless of whether such contract was entered into before, on, or after such date.

SEC. 10032. ELIMINATION OF REVOLVING DOOR BETWEEN FEDERAL PERSONNEL AND CONTRACTORS.

(a) ELIMINATION OF LOOPHOLES ALLOWING FORMER FEDERAL OFFICIALS TO ACCEPT COMPENSATION FROM CONTRACTORS OR RELATED ENTITIES.—

(1) IN GENERAL.—Paragraph (1) of subsection (d) of section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423) is amended—

(A) by striking “or consultant” and inserting “consultant, lawyer, or lobbyist”;

(B) by striking “one year” and inserting “two years”; and

(C) in subparagraph (C), by striking “personally made for the Federal agency—” and inserting “participated personally and substantially in—”.

(2) DEFINITION.—Paragraph (2) of such subsection is amended to read as follows:

“(2) For purposes of paragraph (1), the term ‘contractor’ includes any division, affiliate, subsidiary, parent, joint venture, or other related entity of a contractor.”.

(b) PROHIBITION ON AWARD OF GOVERNMENT CONTRACTS TO FORMER EMPLOYERS.—Such section is further amended by adding at the end the following new subsection:

“(i) PROHIBITION ON INVOLVEMENT BY CERTAIN FORMER CONTRACTOR EMPLOYEES IN PROCUREMENTS.—A former employee of a contractor who becomes an employee of the Federal Government shall not be personally and substantially involved with any Federal agency procurement involving the employee’s former employer, including any division, affiliate, subsidiary, parent, joint venture, or other related entity of the former employer, for a period of two years beginning on the date on which the employee leaves the employment of the contractor unless the designated agency ethics officer for the agency determines in writing that the government’s interest in the former employee’s participation in a particular procurement outweighs any appearance of impropriety.”.

(c) REQUIREMENT FOR FEDERAL PROCUREMENT OFFICERS TO DISCLOSE JOB OFFERS MADE TO RELATIVES.—Subsection (c)(1) of such section is amended by inserting after “that official” the following: “, or for a relative of that official (as defined in section 3110 of title 5, United States Code).”.

(d) ADDITIONAL CRIMINAL PENALTIES.—Paragraph (1) of subsection (e) of such section is amended to read as follows:

“(1) CRIMINAL PENALTIES.—Whoever engages in conduct constituting a violation of—

“(A) subsection (a) or (b) for the purpose of either—

“(i) exchanging the information covered by such subsection for anything of value, or

“(ii) obtaining or giving anyone a competitive advantage in the award of a Federal agency procurement contract; or

“(B) subsection (c) or (d);

shall be imprisoned for not more than 5 years, fined as provided under title 18, United States Code, or both.”.

(e) REGULATIONS.—Such section is further amended by adding at the end the following new subsection:

“(j) REGULATIONS.—The Director of the Office of Government Ethics, in consultation with the Administrator, shall—

“(1) promulgate regulations to carry out and ensure the enforcement of this section; and

“(2) monitor and investigate individual and agency compliance with this section.”.

Subtitle C—Other Personnel Matters

SEC. 10041. MINIMUM REQUIREMENTS FOR POLITICAL APPOINTEES HOLDING PUBLIC CONTRACTING AND SAFETY POSITIONS.

(a) IN GENERAL.—A position specified in subsection (b) may not be held by any political appointee who does not meet the requirements of subsection (c).

(b) SPECIFIED POSITIONS.—A position specified in this subsection is any position as follows:

(1) A public contracting position.

(2) A public safety position.

(c) MINIMUM REQUIREMENTS.—An individual shall not, with respect to any position, be considered to meet the requirements of this subsection unless such individual—

(1) has academic, management, and leadership credentials in one or more areas relevant to such position;

(2) has a superior record of achievement in one or more areas relevant to such position;

(3) has training and expertise in one or more areas relevant to such position; and

(4) has not, within the 2-year period ending on the date of such individual’s nomination for or appointment to such position, been a lobbyist for any entity or other client that is subject to the authority of the agency within which, if appointed, such individual would serve.

(d) POLITICAL APPOINTEE.—For purposes of this section, the term “political appointee” means any individual who—

(1) is employed in a position listed in sections 5312 through 5316 of title 5, United States Code (relating to the Executive Schedule);

(2) is a limited term appointee, limited emergency appointee, or noncareer appointee in the Senior Executive Service; or

(3) is employed in the executive branch of the Government in a position which has been excepted from the competitive service by reason of its policy-determining, policy-making, or policy-advocating character.

(e) PUBLIC CONTRACTING POSITION.—For purposes of this section, the term “public contracting position” means the following:

(1) The Administrator for Federal Procurement Policy.

(2) The Administrator of the General Services Administration.

(3) The Chief Acquisition Officer of any executive agency, as appointed or designated pursuant to section 16 of the Office of Federal Procurement Policy Act (41 U.S.C. 414).

(4) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

(5) Any position (not otherwise identified under any of the preceding provisions of this subsection) a primary function of which involves government procurement and procurement policy, as identified by the head of each employing agency in consultation with the Office of Personnel Management.

(f) PUBLIC SAFETY POSITION.—For purposes of this section, the term “public safety position” means the following:

(1) The Under Secretary for Emergency Preparedness and Response, Department of Homeland Security.

(2) The Director of the Federal Emergency Management Agency, Department of Homeland Security.

(3) Each regional director of the Federal Emergency Management Agency, Department of Homeland Security.

(4) The Recovery Division Director of the Federal Emergency Management Agency, Department of Homeland Security.

(5) The Assistant Secretary for Immigration and Customs Enforcement, Department of Homeland Security.

(6) The Assistant Secretary for Public Health Emergency Preparedness, Department of Health and Human Services.

(7) The Assistant Administrator for Solid Waste and Emergency Response, Environmental Protection Agency.

(8) Any position (not otherwise identified under any of the preceding provisions of this subsection) a primary function of which involves responding to a direct threat to life or property or a hazard to health, as identified by the head of each employing agency in consultation with the Office of Personnel Management.

(g) PUBLICATION OF POSITIONS.—Beginning not later than 30 days after the date of the enactment of this Act, the head of each agency shall maintain on such agency’s public website a current list of all public contracting positions and public safety positions within such agency.

(h) COORDINATION WITH OTHER REQUIREMENTS.—The requirements set forth in subsection (c) shall be in addition to, and not in lieu of, any requirements that might otherwise apply with respect to any particular position.

(i) DEFINITIONS.—In this section:

(1) The term “agency” means an Executive agency (as defined by section 105 of title 5, United States Code).

(2) The terms “limited term appointee”, “limited emergency appointee”, and “non-career appointee” have the meanings given such terms in section 3132 of title 5, United States Code.

(3) The term “Senior Executive Service” has the meaning given such term by section 2101a of title 5, United States Code.

(4) The term “competitive service” has the meaning given such term by section 2102 of title 5, United States Code.

(5) The terms “lobbyist” and “client” have the respective meanings given them by section 3 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1602).

(j) CONFORMING AMENDMENT.—Section 16(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(a)) is amended by striking “non-career employee as”.

SEC. 10042. PROTECTION OF CERTAIN DISCLOSURES OF INFORMATION BY FEDERAL EMPLOYEES.

(a) CLARIFICATION OF DISCLOSURES COVERED.—Section 2302(b)(8) of title 5, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking “which the employee or applicant reasonably believes evidences” and inserting “, without restriction to time, place, form, motive, context, or prior disclosure made to any person by an employee or applicant, including a disclosure made in the ordinary course of an employee’s duties, that the employee or applicant reasonably believes is evidence of”; and

(B) in clause (i), by striking “a violation” and inserting “any violation”;

(2) in subparagraph (B)—

(A) by striking “which the employee or applicant reasonably believes evidences” and inserting “, without restriction to time, place, form, motive, context, or prior disclosure made to any person by an employee or applicant, including a disclosure made in the ordinary course of an employee’s duties, of information that the employee or applicant reasonably believes is evidence of”; and

(B) in clause (i), by striking “a violation” and inserting “any violation (other than a violation of this section)”;

(3) by adding at the end the following:

“(C) any disclosure that—

“(i) is made by an employee or applicant of information required by law or Executive

order to be kept secret in the interest of national defense or the conduct of foreign affairs that the employee or applicant reasonably believes is direct and specific evidence of—

“(I) any violation of any law, rule, or regulation;

“(II) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety; or

“(III) a false statement to Congress on an issue of material fact; and

“(ii) is made to—

“(I) a member of a committee of Congress;

“(II) any other Member of Congress; or

“(III) an employee of Congress who has the appropriate security clearance and is authorized to receive information of the type disclosed.”.

(b) **COVERED DISCLOSURES.**—Section 2302(a)(2) of title 5, United States Code, is amended—

(1) in subparagraph (B)(ii), by striking “and” at the end;

(2) in subparagraph (C)(iii), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(D) ‘disclosure’ means a formal or informal communication or transmission, but does not include a communication concerning policy decisions that lawfully exercise discretionary authority unless the employee providing the disclosure reasonably believes that the disclosure evidences—

“(i) any violation of any law, rule, or regulation; or

“(ii) gross management, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.”.

(c) **REBUTTABLE PRESUMPTION.**—Section 2302(b) of title 5, United States Code, is amended by amending the matter following paragraph (12) to read as follows:

“This subsection shall not be construed to authorize the withholding of information from Congress or the taking of any personnel action against an employee who discloses information to Congress. For purposes of paragraph (8), any presumption relating to the performance of a duty by an employee who has authority to take, direct others to take, recommend, or approve any personnel action may be rebutted by substantial evidence. For purposes of paragraph (8), a determination as to whether an employee or applicant reasonably believes that they have disclosed information that evidences any violation of law, rule, regulation, gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety shall be made by determining whether a disinterested observer with knowledge of the essential facts known to and readily ascertainable by the employee could reasonably conclude that the actions of the Government evidence such violations, mismanagement, waste, abuse, or danger.”.

(d) **NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS; SECURITY CLEARANCES; AND RETALIATORY INVESTIGATIONS.**—

(1) **PERSONNEL ACTION.**—Section 2302(a)(2)(A) of title 5, United States Code, is amended—

(A) in clause (x), by striking “and” after the semicolon; and

(B) by redesignating clause (xi) as clause (xiv) and inserting after clause (x) the following:

“(xi) the implementation or enforcement of any nondisclosure policy, form, or agreement;

“(xii) a suspension, revocation, or other determination relating to a security clearance or any other access determination by a covered agency;

“(xiii) an investigation, other than any ministerial or nondiscretionary fact finding

activities necessary for the agency to perform its mission, of an employee or applicant for employment because of any activity protected under this section; and”.

(2) **PROHIBITED PERSONNEL PRACTICE.**—Section 2302(b) of title 5, United States Code, is amended—

(A) in paragraph (11), by striking “or” at the end;

(B) in paragraph (12), by striking the period and inserting a semicolon; and

(C) by inserting after paragraph (12) the following:

“(13) implement or enforce any nondisclosure policy, form, or agreement, if such policy, form, or agreement does not contain the following statement: ‘These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 (governing disclosures to Congress); section 1034 of title 10 (governing disclosure to Congress by members of the military); section 2302(b)(8) (governing disclosures of illegality, waste, fraud, abuse, or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosures that could compromise national security, including sections 641, 793, 794, 798, and 952 of title 18 and section 4(b) of the Subversive Activities Control Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by such Executive order and such statutory provisions are incorporated into this agreement and are controlling’; or

“(14) conduct, or cause to be conducted, an investigation, other than any ministerial or nondiscretionary fact finding activities necessary for the agency to perform its mission, of an employee or applicant for employment because of any activity protected under this section.”.

(3) **BOARD AND COURT REVIEW OF ACTIONS RELATING TO SECURITY CLEARANCES.**—

(A) **IN GENERAL.**—Chapter 77 of title 5, United States Code, is amended by inserting after section 7702 the following:

“**§ 7702a. Actions relating to security clearances**

“(a) In any appeal relating to the suspension, revocation, or other determination relating to a security clearance or access determination, the Merit Systems Protection Board or any reviewing court—

“(1) shall determine whether paragraph (8) or (9) of section 2302(b) was violated;

“(2) may not order the President or the designee of the President to restore a security clearance or otherwise reverse a determination of clearance status or reverse an access determination; and

“(3) subject to paragraph (2), may issue declaratory relief and any other appropriate relief.

“(b)(1) If, in any final judgment, the Board or court declares that any suspension, revocation, or other determination with regards to a security clearance or access determination was made in violation of paragraph (8) or (9) of section 2302(b), the affected agency shall conduct a review of that suspension, revocation, access determination, or other determination, giving great weight to the Board or court judgment.

“(2) Not later than 30 days after any Board or court judgment declaring that a security clearance suspension, revocation, access determination, or other determination was made in violation of paragraph (8) or (9) of section 2302(b), the affected agency shall issue an unclassified report to the congressional committees of jurisdiction (with a

classified annex if necessary), detailing the circumstances of the agency’s security clearance suspension, revocation, other determination, or access determination. A report under this paragraph shall include any proposed agency action with regards to the security clearance or access determination.

“(c) An allegation that a security clearance or access determination was revoked or suspended in retaliation for a protected disclosure shall receive expedited review by the Office of Special Counsel, the Merit Systems Protection Board, and any reviewing court.

“(d) For purposes of this section, corrective action may not be ordered if the agency demonstrates by a preponderance of the evidence that it would have taken the same personnel action in the absence of such disclosure.”.

(B) **TECHNICAL AND CONFORMING AMENDMENT.**—The table of sections for chapter 77 of title 5, United States Code, is amended by inserting after the item relating to section 7702 the following:

“7702a. Actions relating to security clearances.”.

(e) **EXCLUSION OF AGENCIES BY THE PRESIDENT.**—Section 2302(a)(2)(C) of title 5, United States Code, is amended by striking clause (ii) and inserting the following:

“(ii)(I) the Federal Bureau of Investigation, the Office of the Director of National Intelligence, the Central Intelligence Agency, the Defense Intelligence Agency, the National Geospatial-Intelligence Agency, and the National Security Agency; and

“(II) as determined by the President, any executive agency or unit thereof the principal function of which is the conduct of foreign intelligence or counterintelligence activities, if the determination (as that determination relates to a personnel action) is made before that personnel action; or”.

(f) **ATTORNEY FEES.**—Section 1204(m)(1) of title 5, United States Code, is amended by striking “agency involved” and inserting “agency where the prevailing party is employed or has applied for employment”.

(g) **DISCIPLINARY ACTION.**—Section 1215(a)(3) of title 5, United States Code, is amended to read as follows:

“(3)(A) A final order of the Board may impose—

“(i) disciplinary action consisting of removal, reduction in grade, debarment from Federal employment for a period not to exceed 5 years, suspension, or reprimand;

“(ii) an assessment of a civil penalty not to exceed \$1,000; or

“(iii) any combination of disciplinary actions described under clause (i) and an assessment described under clause (ii).

“(B) In any case in which the Board finds that an employee has committed a prohibited personnel practice under paragraph (8) or (9) of section 2302(b), the Board shall impose disciplinary action if the Board finds that the activity protected under paragraph (8) or (9) of section 2302(b) was a significant motivating factor, even if other factors also motivated the decision, for the employee’s decision to take, fail to take, or threaten to take or fail to take a personnel action, unless that employee demonstrates, by preponderance of evidence, that the employee would have taken, failed to take, or threatened to take or fail to take the same personnel action, in the absence of such protected activity.”.

(h) **SPECIAL COUNSEL AMICUS CURIAE APPEARANCE.**—Section 1212 of title 5, United States Code, is amended by adding at the end the following:

“(h)(1) The Special Counsel is authorized to appear as amicus curiae in any action

brought in a court of the United States related to any civil action brought in connection with section 2302(b) (8) or (9), or subchapter III of chapter 73, or as otherwise authorized by law. In any such action, the Special Counsel is authorized to present the views of the Special Counsel with respect to compliance with section 2302(b) (8) or (9) or subchapter III of chapter 73 and the impact court decisions would have on the enforcement of such provisions of law.

“(2) A court of the United States shall grant the application of the Special Counsel to appear in any such action for the purposes described in subsection (a).”

(i) JUDICIAL REVIEW.—

(1) IN GENERAL.—Section 7703(b)(1) of title 5, United States Code, is amended to read as follows:

“(b)(1)(A) Except as provided in subparagraph (B) and paragraph (2), a petition to review a final order or final decision of the Board shall be filed in the United States Court of Appeals for the Federal Circuit. Notwithstanding any other provision of law, any petition for review must be filed within 60 days after the date the petitioner received notice of the final order or decision of the Board.

“(B) During the 5-year period beginning on the effective date of this subsection, a petition to review a final order or final decision of the Board in a case alleging a violation of paragraph (8) or (9) of section 2302(b) shall be filed in the United States Court of Appeals for the Federal Circuit or any court of appeals of competent jurisdiction as provided under subsection (b)(2).”

(2) REVIEW OBTAINED BY OFFICE OF PERSONNEL MANAGEMENT.—Section 7703(d) of title 5, United States Code, is amended to read as follows:

“(d)(1) Except as provided under paragraph (2), this paragraph shall apply to any review obtained by the Director of the Office of Personnel Management. The Director of the Office of Personnel Management may obtain review of any final order or decision of the Board by filing, within 60 days after the date the Director received notice of the final order or decision of the Board, a petition for judicial review in the United States Court of Appeals for the Federal Circuit if the Director determines, in his discretion, that the Board erred in interpreting a civil service law, rule, or regulation affecting personnel management and that the Board's decision will have a substantial impact on a civil service law, rule, regulation, or policy directive. If the Director did not intervene in a matter before the Board, the Director may not petition for review of a Board decision under this section unless the Director first petitions the Board for a reconsideration of its decision, and such petition is denied. In addition to the named respondent, the Board and all other parties to the proceedings before the Board shall have the right to appear in the proceeding before the Court of Appeals. The granting of the petition for judicial review shall be at the discretion of the Court of Appeals.

“(2) During the 5-year period beginning on the effective date of this subsection, this paragraph shall apply to any review relating to paragraph (8) or (9) of section 2302(b) obtained by the Director of the Office of Personnel Management. The Director of the Office of Personnel Management may obtain review of any final order or decision of the Board by filing, within 60 days after the date the Director received notice of the final order or decision of the Board, a petition for judicial review in the United States Court of Appeals for the Federal Circuit or any court of appeals of competent jurisdiction as provided under subsection (b)(2) if the Director determines, in his discretion, that the Board

erred in interpreting paragraph (8) or (9) of section 2302(b). If the Director did not intervene in a matter before the Board, the Director may not petition for review of a Board decision under this section unless the Director first petitions the Board for a reconsideration of its decision, and such petition is denied. In addition to the named respondent, the Board and all other parties to the proceedings before the Board shall have the right to appear in the proceeding before the court of appeals. The granting of the petition for judicial review shall be at the discretion of the Court of Appeals.”

(j) NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS.—

(1) IN GENERAL.—

(A) REQUIREMENT.—Each agreement in Standard Forms 312 and 4414 of the Government and any other nondisclosure policy, form, or agreement of the Government shall contain the following statement: “These restrictions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by such Executive order and such statutory provisions are incorporated into this agreement and are controlling.”

(B) ENFORCEABILITY.—Any nondisclosure policy, form, or agreement described under subparagraph (A) that does not contain the statement required under subparagraph (A) may not be implemented or enforced to the extent such policy, form, or agreement is inconsistent with that statement.

(2) PERSONS OTHER THAN GOVERNMENT EMPLOYEES.—Notwithstanding paragraph (1), a nondisclosure policy, form, or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure forms shall also make it clear that such forms do not bar disclosures to Congress or to an authorized official of an executive agency or the Department of Justice that are essential to reporting a substantial violation of law.

(k) CLARIFICATION OF WHISTLEBLOWER RIGHTS FOR CRITICAL INFRASTRUCTURE INFORMATION.—Section 214(c) of the Homeland Security Act of 2002 (6 U.S.C. 133(c)) is amended by adding at the end the following: “For purposes of this section a permissible use of independently obtained information includes the disclosure of such information under section 2302(b)(8) of title 5, United States Code.”

(l) ADVISING EMPLOYEES OF RIGHTS.—Section 2302(c) of title 5, United States Code, is amended by inserting “, including how to

make a lawful disclosure of information that is specifically required by law or Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs to the Special Counsel, the Inspector General of an agency, Congress, or other agency employee designated to receive such disclosures” after “chapter 12 of this title”.

(m) SCOPE OF DUE PROCESS.—

(1) SPECIAL COUNSEL.—Section 1214(b)(4)(B)(ii) of title 5, United States Code, is amended by inserting “, after a finding that a protected disclosure was a contributing factor,” after “ordered if”.

(2) INDIVIDUAL ACTION.—Section 1221(e)(2) of title 5, United States Code, is amended by inserting “, after a finding that a protected disclosure was a contributing factor,” after “ordered if”.

(n) EFFECTIVE DATE.—This section and the amendment made by this section shall take effect 30 days after the date of the enactment of this Act.

SA 4806. Mr. KYL (for himself, Mr. WYDEN, Mr. DEWINE, Mr. LIEBERMAN, Mrs. FEINSTEIN, Ms. CANTWELL, Mr. SALAZAR, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. . ROYALTY RELIEF FOR PRODUCTION OF OIL AND GAS.

(a) PRICE THRESHOLDS.—Notwithstanding any other provision of law, the Secretary of the Interior shall place limitations based on market price on the royalty relief granted under any lease for the production of oil or natural gas on Federal land (including submerged land) entered into by the Secretary of the Interior on or after the date of enactment of this Act.

(b) CLARIFICATION OF AUTHORITY TO IMPOSE PRICE THRESHOLDS FOR CERTAIN LEASE SALES.—Congress reaffirms the authority of the Secretary of the Interior under section 8(a)(1)(H) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(1)(H)) to vary, based on the price of production from a lease, the suspension of royalties under any lease subject to section 304 of the Outer Continental Shelf Deep Water Royalty Relief Act (Public Law 104-58; 43 U.S.C. 1337 note).

SEC. . ELIGIBILITY FOR NEW LEASES AND THE TRANSFER OF LEASES.

(a) DEFINITIONS.—In this section

(1) COVERED LEASE.—The term “covered lease” means a lease for oil or gas production in the Gulf of Mexico that is—

(A) in existence on the date of enactment of this Act;

(B) issued by the Department of the Interior under the Outer Continental Shelf Deep Water Royalty Relief Act (43 U.S.C. 1337 note; Public Law 104-58); and

(C) not subject to limitations on royalty relief based on market price that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

(2) LESSEE.—The term “lessee” includes any person that controls, is controlled by, or is in common control with, a lessee.

(3) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

(b) ISSUANCE OF NEW LEASES.—

(1) IN GENERAL.—Beginning on the date that is 1 year after the date of enactment of this Act, the Secretary shall not issue any new lease that authorizes the production of

oil or natural gas in the Gulf of Mexico under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) to—

(A) any lessee that—

(i) holds a covered lease on the date on which the Secretary considers the issuance of the new lease; or

(ii) was issued a covered lease before the date of enactment of this Act, but transferred the covered lease to another person or entity (including a subsidiary or affiliate of the lessee) after the date of enactment of this Act; or

(B) any other entity or person who has any direct or indirect interest in, or who derives any benefit from, a covered lease.

(2) MULTIPLE LESSEES.—

(A) IN GENERAL.—For purposes of paragraph (1), if there are multiple lessees that own a share of a covered lease, the Secretary may implement separate agreements with any lessee with a share of the covered lease that modifies the payment responsibilities with respect to the share of the lessee to include price thresholds that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

(B) COVERED LEASE.—Beginning on the effective date of an agreement under subparagraph (A), any share subject to the agreement shall not constitute a covered lease with respect to any lessees that entered into the agreement.

(C) TRANSFERS.—A lessee or any other person who has any direct or indirect interest in, or who derives a benefit from, a lease shall not be eligible to obtain by sale or other transfer (including through a swap, spinoff, servicing, or other agreement) any covered lease, the economic benefit of any covered lease, or any other lease for the production of oil or natural gas in the Gulf of Mexico under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), unless the lessee—

(1) renegotiates all covered leases of the lessee; and

(2) enters into an agreement with the Secretary to modify the terms of all covered leases of the lessee to include limitations on royalty relief based on market prices that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

SA 4807. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT TEST, AND EVALUATION, ARMY.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY” is hereby increased by \$15,000,000.

(b) AVAILABILITY.—

(1) IN GENERAL.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, as increased by subsection (a)—

(A) \$5,000,000 is for Combat Vehicle and Automotive Technology (PE #0602601A) for appropriate purposes specified in paragraph (2).

(B) \$10,000,000 is for Combat Vehicle and Automotive Technology (PE #0603005A) for appropriate purposes specified in paragraph (2).

(2) PURPOSES.—The purposes specified in this paragraph are the competitive award of research projects in the following areas:

(A) Vehicle-Based Active Protection Systems against kinetic energy threats.

(B) Robotic Ground Systems.

(C) Command and Control of Unmanned Systems.

(D) Hybrid Electric Technologies.

(E) Energy Efficient Vehicle Technologies.

(F) Vehicle Survivability Systems.

(G) Such other research activities as the Secretary of the Army may specify.

(c) OFFSET.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE” is hereby reduced by \$15,000,000, with the amount of the reduction to be allocated to Alternative Infrared Space System (PE #0604443F).

SA 4808. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

SEC. . Of the amount appropriated in title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, up to \$5,000,000 may be made available for the Virtual Training and Airspace Management Simulation for Unmanned Aerial Vehicles.

SA 4809. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. 9012. (a) AVAILABILITY OF ADDITIONAL AMOUNT FOR NATIONAL GUARD AND RESERVE EQUIPMENT.—Of the aggregate amount appropriated or otherwise made available by this title, up to \$2,400,000,000 shall be available for equipment for the National Guard and Reserve.

(b) SUPPLEMENT NOT SUPPLANT.—The amount available under subsection (a) for the purpose specified in that subsection is in addition to any other amounts available in this title for that purpose.

SA 4810. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Part G of title IV of the Higher Education Act of 1965 (20 U.S.C. 1088 et seq.) is amended by adding at the end the following:

“SEC. 494. STUDENT LOAN DEFERMENT FOR CERTAIN MEMBERS OF THE ARMED FORCES.

“Notwithstanding any other provision of this Act—

“(1) a member of the Armed Forces serving in a combat operation or combat zone, as designated by the Secretary of Defense, or a member of a reserve component of the Armed Forces who is serving pursuant to a call or order to active duty for a period of more than 30 days, shall be eligible for a

deferment of any loan made, insured, or guaranteed under this title, under which periodic installments of principal need not be paid, but interest shall accrue and be paid by the Secretary, during the period of such service and for 6 months after such period; and

“(2) each institution of higher education that participates in any program under this title shall provide, to each student who is enrolled in the institution at the commencement of such service, the option to reenroll in the institution after the completion of such service.”.

SA 4811. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) CHILD CARE FOR CERTAIN CHILDREN WITHOUT ACCESS TO MILITARY CHILD CARE.—

(1) IN GENERAL.—In any case where the children of a covered member of the Armed Forces are geographically dispersed and do not have practical access to a military child development center, the Secretary of Defense may, to the extent funds are available for such purpose, provide such funds as are necessary permit the member's family to secure access for such children to State licensed child care and development programs and activities in the private sector that are similar in scope and quality to the child care and development programs and activities the Secretary would otherwise provide access to under subchapter II of chapter 88 of title 10, United States Code, and other applicable provisions of law.

(2) PROVISION OF FUNDS.—Funds may be provided under paragraph (1) in accordance with the provisions of section 1798 of title 10, United States Code, or by such other mechanism as the Secretary considers appropriate.

(3) PRIORITIES FOR ALLOCATION OF FUNDS IN CERTAIN CIRCUMSTANCES.—The Secretary shall prescribe in regulations priorities for the allocation of funds for the provision of access to child care under paragraph (1) in circumstances where funds are inadequate to provide all children described in that paragraph with access to child care as described in that paragraph.

(b) PRESERVATION OF SERVICES AND PROGRAMS.—The Secretary shall provide for the attendance and participation of children in military child development centers and child care and development programs and activities under subsection (a) in a manner that preserves the scope and quality of child care and development programs and activities otherwise provided by the Secretary.

(c) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts appropriated by this Act, up to \$25,000,000 may be available to carry out this section.

(d) DEFINITIONS.—In this section—

(1) The term “covered members of the Armed Forces” means members of the Armed Forces on active duty, including members of the Reserves who are called or ordered to active duty under a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, for Operation Enduring Freedom or Operation Iraqi Freedom.

(2) The term “military child development center” has the meaning given such term in section 1800(1) of title 10, United States Code.

SEC. 8110. (a) SHORT TITLE.—This section may be cited as the “Help for Military Children Affected by War Act of 2006”.

(b) GRANTS AUTHORIZED.—The Secretary of Defense is authorized to award grants to eligible local educational agencies for the additional education, counseling, and other needs of military dependent children who are affected by war or dramatic military decisions.

(c) DEFINITIONS.—In this section—

(1) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term “eligible local educational agency” means a local educational agency that—

(A) had a number of military dependent children in average daily attendance in the schools served by the local educational agency during the school year preceding the school year for which the determination is made, that—

(i) equaled or exceeded 20 percent of the number of all children in average daily attendance in the schools served by such agency during the preceding school year; or

(ii) was 1,000 or more, whichever is less; and

(B) is designated by the Secretary of Defense as impacted by—

(i) Operation Iraqi Freedom;

(ii) Operation Enduring Freedom;

(iii) the global rebasing plan of the Department of Defense;

(iv) the realignment of forces as a result of the base closure process;

(v) the official creation or activation of 1 or more new military units; or

(vi) a change in the number of required housing units on a military installation, due to the Military Housing Privatization Initiative of the Department of Defense.

(2) LOCAL EDUCATIONAL AGENCY.—The term “local educational agency” has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(3) MILITARY DEPENDENT CHILD.—The term “military dependent child” means a child described in subparagraph (B) or (D)(i) of section 8003(a)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(a)(1)).

(d) USE OF FUNDS.—Grant funds provided under this section shall be used for—

(1) tutoring, after-school, and dropout prevention activities for military dependent children with a parent who is or has been impacted by war-related action described in clause (i), (ii), or (iii) of subsection (c)(1)(B);

(2) professional development of teachers, principals, and counselors on the needs of military dependent children with a parent who is or has been impacted by war-related action described in clause (i), (ii), or (iii) of subsection (c)(1)(B);

(3) counseling and other comprehensive support services for military dependent children with a parent who is or has been impacted by war-related action described in clause (i), (ii), or (iii) of subsection (c)(1)(B), including the hiring of a military-school liaison; and

(4) other basic educational activities associated with an increase in military dependent children.

(e) TREATMENT OF FUNDS.—Funds available to carry out this section are in addition to any funds made available to local educational agencies under section 582, 583 or 584 of this Act or section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703).

SA 4812. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) AVAILABILITY OF ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES.—To assist communities making adjustments resulting from changes in the size or location of the Armed Forces, the Secretary of Defense shall make payments to eligible local educational agencies that, during the period between the end of the school year preceding the fiscal year for which the payments are authorized and the beginning of the school year immediately preceding that school year, had (as determined by the Secretary of Defense in consultation with the Secretary of Education) an overall increase or reduction of—

(1) not less than 5 percent in the average daily attendance of military dependent students enrolled in the schools served by the eligible local educational agencies; or

(2) not less than 250 military dependent students enrolled in the schools served by the eligible local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2006, and June 30 of each of the next 2 fiscal years, the Secretary of Defense shall notify each eligible local educational agency for such fiscal year—

(1) that the local educational agency is eligible for assistance under this section; and

(2) of the amount of the assistance for which the eligible local educational agency qualifies, as determined under subsection (c).

(c) AMOUNT OF ASSISTANCE.—

(1) IN GENERAL.—The Secretary of Defense shall, in consultation with the Secretary of Education, make assistance available to eligible local educational agencies for a fiscal year on a pro rata basis, as described in paragraph (2).

(2) PRO RATA DISTRIBUTION.—

(A) IN GENERAL.—The amount of the assistance provided under this section to an eligible local educational agency for a fiscal year shall be equal to the product obtained by multiplying—

(i) the per-student rate determined under subparagraph (B) for such fiscal year; by

(ii) the overall increase or reduction in the number of military dependent students in the schools served by the eligible local educational agency, as determined under subsection (a).

(B) PER-STUDENT RATE.—For purposes of subparagraph (A), the per-student rate for a fiscal year shall be equal to the dollar amount obtained by dividing—

(i) the amount of funds available for such fiscal year to provide assistance under this section; by

(ii) the sum of the overall increases and reductions, as determined under subparagraph (A)(ii), for all eligible local educational agencies for that fiscal year.

(d) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse assistance made available under this section for a fiscal year, not later than 30 days after the date on which the Secretary of Defense notified the eligible local educational agencies under subsection (b) for the fiscal year.

(e) CONSULTATION.—The Secretary of Defense shall carry out this section in consultation with the Secretary of Education.

(f) REPORTS.—

(1) REPORTS REQUIRED.—Not later than May 1 of each of the years 2007, 2008, and 2009, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the assistance provided under this section during the fiscal year preceding the date of such report.

(2) ELEMENT OF REPORT.—Each report described in paragraph (1) shall include an assessment and description of the current compliance of each eligible local educational agency with the requirements of part A of

title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

(g) FUNDING.—Of the amount appropriated or otherwise made available by title II under the heading “OPERATION AND MAINTENANCE, DEFENSE-WIDE” up to \$15,000,000 may be available for the purpose of providing assistance to eligible local educational agencies under this section.

(h) TERMINATION.—The authority of the Secretary of Defense to provide financial assistance under this section shall expire on September 30, 2008.

(i) DEFINITIONS.—In this section:

(1) BASE CLOSURE PROCESS.—The term “base closure process” means the 2005 base closure and realignment process authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) or any base closure and realignment process conducted after the date of the enactment of this Act under section 2687 of title 10, United States Code, or any other similar law enacted after that date.

(2) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term “eligible local educational agency” means, for a fiscal year, a local educational agency—

(A)(i) for which not less than 20 percent (as rounded to the nearest whole percent) of the students in average daily attendance in the schools served by the local educational agency during the preceding school year were military dependent students that were counted under section 8003(a)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(a)(1)); or

(ii) that would have met the requirements of clause (i) except for the reduction in military dependent students in the schools served by the local educational agency; and

(B) for which the required overall increase or reduction in the number of military dependent students enrolled in schools served by the local educational agency, as described in subsection (a), occurred as a result of—

(i) the global rebasing plan of the Department of Defense;

(ii) the official creation or activation of 1 or more new military units;

(iii) the realignment of forces as a result of the base closure process; or

(iv) a change in the number of required housing units on a military installation, due to the military housing privatization initiative of the Department of Defense undertaken under the alternative authority for the acquisition and improvement of military housing under subchapter IV of chapter 169 of title 10, United States Code.

(3) LOCAL EDUCATIONAL AGENCY.—The term “local educational agency” has the meaning given the term in section 8013 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713).

(4) MILITARY DEPENDENT STUDENT.—The term “military dependent student” means—

(A) an elementary school or secondary school student who is a dependent of a member of the Armed Forces; or

(B) an elementary school or secondary school student who is a dependent of a civilian employee of the Department of Defense.

SA 4813. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 218, between lines 6 and 7, insert the following:

SEC. 8109. (a) Congress makes the following findings:

(1) The United States is engaged in a global war on terror that has no clear geographic boundaries, is of unknown duration, and is against an enemy with no state sponsor that continues to commit senseless acts of violence and human destruction.

(2) Detention of enemy combatants in this war is necessary for the security of members of the Armed Forces and the achievement of United States national security and foreign policy objectives, but must be conducted in a way that upholds United States values and international law.

(3) Since January 11, 2002, Naval Station Guantanamo Bay has been used for the detention and interrogation of about 750 enemy combatants, of which approximately 460 remain incarcerated and only 10 of whom have been formally charged with crimes and been subject to legal adjudication through military commissions.

(4) The Supreme Court, in *Hamdan v. Rumsfeld*, 126 S.Ct. 2749, held that the nature and rules governing the United States Government's military commissions were in violation of the Uniform Code of Military Justice and did not comply with the Geneva Conventions.

(5) Official investigations and reports by the United States Government confirm multiple incidents of psychological and physical abuse inflicted upon detainees at Guantanamo, some of which included—

(A) the threatened use of extreme force by guards against detainees;

(B) sleep deprivation;

(C) forced stress positions;

(D) the use of dogs in interrogations; and

(E) the harsh manipulation of light, sound, and temperature.

(6) President George W. Bush stated on June 21, 2006, "I'd like to end Guantanamo. I'd like it to be over with," yet the President has not offered a specific plan for transitioning the current detainees to another status.

(7) The individuals currently detained at the detention facility at Guantanamo Bay, many of whom appear to have little or no remaining intelligence value in the global war on terror, could be—

(A) transferred to other countries for further legal review;

(B) enrolled in United States domestic civil, criminal, or military court proceedings;

(C) transferred to a separate military detention facility that fully complies with United States domestic law, international law, and the law of war; or

(D) released if found not to pose a continuing security threat to the United States.

(8) The international perception of the detention facility at Guantanamo Bay is negative and has created substantial hostility toward the United States, raising reservations among friends and allies of the United States and other countries about the commitment of the United States to human rights.

(9) Members of the Armed Forces and other Americans who may be captured overseas and detained by other countries, or by non-state groups, are more likely to be treated in a manner fully consistent with the Geneva Conventions if individuals detained by the United States are treated in the same manner.

(10) The security of the United States will not be diminished, United States diplomacy will be furthered, and the standing of the United States in the world will be enhanced if the detention facility at Guantanamo Bay is closed and all detainees are transitioned to another legal status.

(b) Not later than one year after the date of the enactment of this Act—

(1) the Secretary of Defense shall close the Department of Defense detention facility at Guantanamo Bay, Cuba; and

(2) all detainees detained at such facility shall be—

(A) charged with a violation of United States or international law and tried in an Article III court or military legal proceeding before a regularly-constituted court;

(B) transferred to a separate military detention facility that fully complies with all United States and international law and the law of war;

(C) transferred to their country of citizenship or a different country for further legal review; or

(D) released if found not to pose a continuing security threat to the United States.

SA 4814. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE", up to \$1,500,000 may be available for Commercialization and Industrialization of Adaptive Optics (PE #0602890F).

SA 4815. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Amounts appropriated or otherwise made available by title II under the heading "OPERATION AND MAINTENANCE, AIR FORCE" and available for Aerospace Vehicle Technologies (PE #602201F) may be available for Air Force Responsive Space Operations for purposes of completing an updated study of the New Mexico Spaceport that integrates the most current launch technology with capabilities of the Spaceport in order to further refine the manner in which the Spaceport may assist with Air Force planning and operations for Responsive Space.

SA 4816. Mr. BINGAMAN submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY", up to \$2,500,000 may be available for the Quantum Noninvasive Explosives Detection Research and Test Program (PE #0602712A).

SA 4817. Mr. BINGAMAN submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Amounts appropriated or otherwise made available by title II under the heading "OPERATION AND MAINTENANCE, AIR FORCE" and available for Aerospace Technology Development/Demonstration (PE #603211F) may be available for Air Force Responsive Space Operations for purposes of completing an updated study of the New Mexico Spaceport that integrates the most current launch technology with capabilities of the Spaceport in order to further refine the manner in which the Spaceport may assist with Air Force planning and operations for Responsive Space.

SA 4818. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 218, between lines 6 and 7, insert the following:

SEC. 8109. (a) The amount appropriated or otherwise made available by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY" and available for the Future Medical Shelter System is hereby increased by \$5,000,000.

(b) The amount appropriated or otherwise made available by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY" and available for Engineering and Manufacturing Development is hereby decreased by \$5,000,000.

SA 4819. Mr. DODD (for himself, Mr. REED, Mr. INOUE, Mrs. LINCOLN, and Mr. DURBIN) submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. From funds available in this Act, an additional \$6,700,000,000 may be available to fund equipment reset requirements resulting from continuing combat operations, including repair, depot, and procurement activities.

SA 4820. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title II under the heading "OPERATION AND MAINTENANCE, MARINE CORPS RESERVE", up to \$2,500,000 may be available for Infantry Combat Equipment (ICE).

SA 4821. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title II under

the heading "OPERATION AND MAINTENANCE, MARINE CORPS RESERVE", up to \$3,500,000 may be available for the Individual First Aid Kit (IFAK).

SA 4822. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) ADDITIONAL MATTER FOR STUDY BY COMMISSION ON THE NATIONAL GUARD AND RESERVES.—In addition to any other matters required to be studied by the Commission on the National Guard and Reserves under section 513 of Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375), the Commission shall also conduct an assessment of the feasibility and advisability of establishing a separate account in the Treasury for funding procurement for the Army National Guard rather than funding such procurement through the "OTHER PROCUREMENT, ARMY" account under current practice.

(b) REPORT.—The Commission on the National Guard and Reserves shall include in the final report to Congress required under section 513(f)(2) of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 the results of the assessment conducted under subsection (a).

SA 4823. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title VI under the heading "DEFENSE HEALTH PROGRAM", up to \$500,000 may be available for a pilot program on troops to nurse teachers.

SA 4824. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE.—The amount appropriated by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE", is hereby increased by \$6,000,000.

(b) AVAILABILITY.—Of the amount appropriated by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE", as increased by subsection (a), up to \$6,000,000 may be available as follows:

(1) \$3,000,000 for bioterrorism protection research (PE #0601384BP).

(2) \$3,000,000 for advanced protective gear for small-arms threats (PE #0601101E).

(c) OFFSET.—The amount appropriated by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE" is hereby reduced by \$6,000,000, with the amount of the reduction allocated to amounts available for Technical Studies, Support, and Analysis.

SA 4825. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title II under the heading "OPERATION AND MAINTENANCE, DEFENSE-WIDE", up to \$30,000,000 may be available for the Defense Logistics Agency for the Meals Ready to Eat War Reserve Stockpile.

SA 4826. Mrs. CLINTON (for herself, Mr. LIEBERMAN, AND Mr. LAUTENBERG) submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) FUNDING FOR LONGITUDINAL STUDY ON TRAUMATIC BRAIN INJURY INCURRED BY MEMBERS OF THE ARMED FORCES IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.—Of the amount appropriated or otherwise made available by title V under the heading "DEFENSE HEALTH PROGRAM", up to \$5,000,000 may be available for a longitudinal study on traumatic brain injury incurred by members of the Armed Forces in Operation Iraqi Freedom and Operation Enduring Freedom.

(b) FUNDING FOR THE ESTABLISHMENT OF A PANEL OF EXPERTS TO DEVELOP TRAINING CURRICULA FOR FAMILY CAREGIVERS ON CARE AND ASSISTANCE FOR MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES WITH TRAUMATIC BRAIN INJURY INCURRED IN OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM.—

(1) OPERATION AND MAINTENANCE, ARMY, FUNDS.—Of the amount appropriated or otherwise made available by title II under the heading "OPERATION AND MAINTENANCE, ARMY", up to \$800,000 may be available for the establishment of a panel of experts to develop training curricula for family caregivers on care and assistance for members and former members of the Armed Forces with traumatic brain injury incurred in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) OPERATION AND MAINTENANCE, MARINE CORPS, FUNDS.—Of the amount appropriated or otherwise made available by title II under the heading "OPERATION AND MAINTENANCE, MARINE CORPS", up to \$200,000 may be available for the establishment of a panel of experts to develop training curricula for family caregivers on care and assistance for members and former members of the Armed Forces with traumatic brain injury incurred in Operation Iraqi Freedom or Operation Enduring Freedom.

SA 4827. Mr. BOND (for himself, Mr. LEAHY, Mr. LAUTENBERG, Mr. DORGAN, Ms. MIKULSKI, Mr. HARKIN, and Mr. REID) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. 9012. Of the amount appropriated or otherwise made available by this Act by rea-

son of the adoption of Senate Amendment 4751 (referred to as the "Stevens amendment"), \$2,440,000,000 is available for the National Guard for National Guard and Reserve equipment. Such amount is in addition to any other amounts available in this title, or under title III under the heading "OTHER PROCUREMENT, ARMY", for National Guard and Reserve equipment.

SA 4828. Mr. CHAMBLISS submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY", up to \$1,000,000 may be available for the Automated Communications Support System for WARFIGHTERS, Intelligence Community, Linguists, and Analysts.

SA 4829. Mr. SUNUNU submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY" up to \$1,000,000 may be available for an integrated, low-cost, low-power Multibeam Side Scan Sonar System for Unmanned Underwater Vehicles (UUVs).

SA 4830. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. No funds appropriated or otherwise made available by this Act may be obligated or expended for a purpose as follows:

(1) To provide military assistance to the Government of Libya.

(2) To establish diplomatic relations between the Government of the United States and the Government of Libya.

SA 4831. Mr. SESSIONS (for himself, Mr. WARNER, and Mr. NELSON of Nebraska) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. (a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY.—The amount appropriated by title IV under the heading "RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY" is hereby increased by \$77,000,000.

(b) AVAILABILITY OF AMOUNT FOR CONVENTIONAL TRIDENT MODIFICATION PROGRAM.—Of the amount appropriated by title IV under

the heading "RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY", as increased by subsection (a), \$77,000,000 may be available for Advanced Conventional Strike Capability (PE #64327N) for the Conventional Trident Modification Program.

(c) OFFSET.—The aggregate amount appropriated by this Act (other than the amount available for the Conventional Trident Modification Program) is hereby reduced by \$77,000,000. The Secretary of Defense shall allocate the amount of the reduction in an appropriate manner across and among the accounts of the Department of Defense

SA 4832. Mr. ALLEN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____ NO DISBURSEMENT OF PAY TO MEMBERS OF CONGRESS IF APPROPRIATIONS ACTS NOT TIMELY PASSED.

(a) RESTRICTION ON DISBURSEMENT OF PAY.—

(1) IN GENERAL.—If, as of the first day of any fiscal year, Congress has not passed all final appropriations acts necessary to provide appropriations for the entirety of that fiscal year, the Secretary of the Senate and the Chief Administrative Officer of the House of Representatives may not disburse net pay to any Member of Congress for any pay period beginning in that fiscal year before the date on which notice is provided under subsection (b)(2) that all such final appropriation acts have been passed.

(2) DISBURSEMENT AFTER PASSAGE.—The Secretary of the Senate and the Chief Administrative Officer of the House of Representatives shall disburse all amounts of net pay to Members of Congress not disbursed under paragraph (1) at the same time pay is disbursed for the first pay period beginning after the period to which paragraph (1) applies.

(b) NOTICE.—The President pro tempore of the Senate shall provide notice to the Secretary of the Senate, and the Speaker of the House of Representatives shall provide notice to the Chief Administrative Officer of the House of Representatives—

(1) of any restriction on disbursement of pay under subsection (a)(1), on the first day of the fiscal year to which the restriction applies; and

(2) of the passage by Congress of all final appropriations acts described in subsection (a)(1) with respect to that fiscal year, on the date that passage occurs.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to affect the authority of the Secretary of the Senate or the Chief Administrative Officer of the House of Representatives relating to withholdings, deductions, or any other administrative function relating to pay as otherwise authorized by law.

(d) EFFECTIVE DATE.—This section shall take effect on January 3, 2007.

SA 4833. Mr. KENNEDY (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) ARMY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—Of the amount appropriated by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY", up to \$12,000,000 may be available for Program Element 0601103A for University Research Initiatives.

(b) NAVY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—Of the amount appropriated by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY", up to \$13,000,000 may be available for Program Element 0601103N for University Research Initiatives.

(c) AIR FORCE SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—Of the amount appropriated by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE", up to \$5,000,000 may be available for Program Element 0601103F for University Research Initiatives.

(d) SMART NATIONAL DEFENSE EDUCATION PROGRAM.—Of the amount appropriated by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE", up to \$9,000,000 may be available for Program Element 0601120D8Z for the SMART National Defense Education Program.

(e) DARPA UNIVERSITY RESEARCH PROGRAM IN COMPUTER SCIENCE AND CYBERSECURITY.—Of the amount appropriated by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE", up to \$6,000,000 may be available for Program Element 0601101E the Defense Advanced Research Projects Agency Program in Computer Science and Cybersecurity.

SA 4834. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:
SEC. 8109. (a) STUDY ON DEPARTMENT OF DEFENSE TRANSITION ASSISTANCE SERVICES.—

(1) STUDY PANEL.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly establish a panel to conduct a study on means of improving the Transition Assistance Program (TAP) and other reintegration services for members of the National Guard and the Reserves. The panel shall be established not later than 60 days after the date of the enactment of this Act.

(2) COMPOSITION.—The panel established under paragraph (1) shall be composed of the following:

(A) Such officers or employees of the Department of Defense as the Secretary of Defense shall appoint to the panel.

(B) Such officers or employees of the Department of Veterans Affairs as the Secretary of Veterans Affairs shall appoint to the panel.

(C) Such individuals from the private sector as the Secretary of Defense and the Secretary of Veterans Affairs shall jointly appoint to the panel from among individuals in the private sector who have expertise in the matters to be studied by the panel, including individuals with expertise in occupational and employment adjustment matters, psychologists or other mental health professionals, and family specialists.

(3) STUDY ELEMENTS.—The panel established under paragraph (1) shall conduct a study on means of improving the Transition Assistance Program and other reintegration services for members of the National Guard and the Reserves, including means of improving the following under the Program:

(A) Training on interpersonal skills and life skills.

(B) Readjustment counseling.

(C) Briefings and workshops presented by the Department of Veterans Affairs to members before their completion of service on active duty.

(D) The duration of training sessions and workshops, so that such sessions and workshops continue for members for at least one year after their completion of service on active duty.

(E) Education and outreach on the transition benefits available to members of the National Guard and Reserves from the Federal Government, State and local governments, private organizations, and non-profit public service organizations.

(4) REPORT.—Not later than 120 days after the date of the enactment of this Act, the panel established under paragraph (1) shall submit to the Secretary of Defense and the Secretary of Veterans Affairs a report on the study conducted by the panel under this subsection. The report shall include the findings of the panel as a result of the study and such recommendations, including recommendations on the matters specified in paragraph (3), as the panel considers appropriate as a result of the study.

(5) TRANSMITTAL OF REPORT.—Not later than 60 days after receipt of the report under paragraph (4), the Secretary of Defense and the Secretary of Veterans Affairs shall jointly transmit the report to Congress, together with such comments on the report as the Secretary of Defense and the Secretary of Veterans Affairs jointly consider appropriate.

(b) STUDY ON OTHER NATIONAL GUARD AND RESERVE BENEFITS.—

(1) STUDY PANEL.—The Secretary of Defense shall establish a panel to conduct a study on the adequacy of current pay and benefits, including health care and other benefits, for members of the National Guard and the Reserves under the current policies and practices of the Armed Forces relating to the utilization of the National Guard and the Reserves. The panel shall be established not later than 60 days after the date of the enactment of this Act.

(2) COMPOSITION.—The panel established under paragraph (1) shall be composed of the following:

(A) Such officers or employees of the Department of Defense as the Secretary of Defense shall appoint to the panel.

(B) Such individuals from the private sector as the Secretary of Defense shall appoint to the panel from among individuals in the private sector who have expertise in the matters to be studied by the panel.

(3) STUDY ELEMENTS.—The panel established under paragraph (1) shall conduct a study of the adequacy of current pay and benefits, including health care and other benefits, for members of the National Guard and the Reserves under the current policies and practices of the Armed Forces relating to the utilization of the National Guard and the Reserves, including—

(A) the advisability of separate systems of pay for members of the regular components of the Armed Forces and members of the reserve components of the Armed Forces;

(B) the advisability of different eligibility for medical and dental care for members of the regular components of the Armed Forces and members of the reserve components of the Armed Forces; and

(C) the advisability of the modification or improvement of other policies and practices relating to the pay and benefits of members of the National Guard and the Reserves in order to improve the quality of life of such members while serving in the National Guard or Reserves.

(4) REPORT.—Not later than 120 days after the date of the enactment of this Act, the

panel established under paragraph (1) shall submit to the Secretary of Defense a report on the study conducted by the panel under this subsection. The report shall include the findings of the panel as a result of the study and such recommendations, including recommendations on the matters specified in paragraph (3), as the panel considers appropriate as a result of the study.

(5) **TRANSMITTAL OF REPORT.**—Not later than 60 days after receipt of the report under paragraph (4), the Secretary of Defense shall transmit the report to Congress, together with such comments on the report as the Secretary of Defense considers appropriate.

SA 4835. Mrs. CLINTON (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title II under the heading "OPERATION AND MAINTENANCE, AIR FORCE", up to \$12,000,000 may be available for Unmanned Threat Emitter (UMTE) Modernization.

SA 4836. Mr. SMITH submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. Notwithstanding any other provision of this Act, there is appropriated \$523,081,496 to make safety net payments for fiscal year 2007 under section 101 of the Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106-393; 16 U.S.C. 500 note), to remain available until expended.

SA 4837. Mr. BENNETT submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY", up to \$1,000,000 may be available for the development of a Lightweight All Terrain Vehicle (LATV).

SA 4838. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 180, beginning on line 2, strike "and the projects" and all that follows through line 4 and insert a period.

SA 4839. Mr. OBAMA submitted an amendment intended to be proposed by him to the bill H.R. 5631, making ap-

propriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 8109. (a) **CERTIFICATION ON NOTIFICATION OF DISCLOSURE OF PERSONAL INFORMATION.**—Not later than 30 days after the date of any data security breach of the Department of Defense, the Secretary of Defense shall certify in writing to the congressional defense committees that each member of the Armed Forces or other individual whose personal information, while in the possession or control of the Department of Defense has been compromised due to lax security precautions at the Department of Defense, theft, or negligent disclosure has been appropriately notified in writing of such compromise.

(b) **PROVISION OF CERTAIN SERVICES.**—Upon request of any individual described in subsection (a), the Secretary shall provide to such individual, at no charge to such individual—

(1) credit monitoring services during the 1-year period beginning on the date of such request; and

(2) a copy of the credit report (as defined in section 603 of the Fair Credit Reporting Act) of such individual from each of the major credit bureaus, including Equifax, TransUnion, and Experian, once annually during the 2-year period beginning on the date on which the credit monitoring services required by paragraph (1) terminate, which shall be in addition to any other credit report provided to such individual under law, whether at no cost to such individual or otherwise.

(c) **DEFINITIONS.**—In this section:

(1) The term "data security breach" means the unauthorized access or use of data in electronic or printed form that contains personal information.

(2) The term "personal information", in the case of an individual, means the name, address, or telephone number of the individual in combination with any of the following:

(A) The Social Security Number of the individual.

(B) Any information regarding the medical history of the individual.

(C) The history of the individual's service in the Armed Forces.

(D) Any other personally identifiable information of the individual that is not routinely part of the public record.

SA 4840. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) **AVAILABILITY OF AMOUNTS WITHIN COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY.**—Of the amount appropriated by title IV under the heading "RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY"—

(1) up to \$5,000,000 may be available for Combat Vehicle and Automotive Technology (PE #0602601A) for appropriate purposes specified in subsection (b); and

(2) up to \$10,000,000 may be available for Combat Vehicle and Automotive Technology (PE #0603005A) for appropriate purposes specified in subsection (b).

(b) **PURPOSES.**—The purposes specified in this subsection are the competitive award of research projects in the following areas:

(1) Vehicle-Based Active Protection Systems against kinetic energy threats.

(2) Robotic Ground Systems.

(3) Command and Control of Unmanned Systems.

(4) Hybrid Electric Technologies.

(5) Energy Efficient Vehicle Technologies.

(6) Vehicle Survivability Systems.

(7) Such other research activities as the Secretary of the Army may specify.

SA 4841. Mr. ALLEN (for himself and Mr. WARNER) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) Of the amount appropriated or otherwise made available by title II under the heading "OPERATION AND MAINTENANCE, DEFENSE-WIDE", up to \$2,000,000 may be available for the Office of Economic Adjustment of the Department of Defense to conduct a traffic study on the improvements that are required to be carried out to the transportation infrastructure around Fort Belvoir, Virginia, to accommodate the increase in the workforce located on and around Fort Belvoir resulting from decisions implemented under the 2005 round of defense base closure and realignment. The study shall incorporate the input of the Virginia Department of Transportation and other State and local governments and agencies.

(b) Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the study conducted under subsection (a), including a cost estimate for such improvements and the funding sources, including the Defense Access Road Program, proposed for such improvements.

SA 4842. Mr. KYL (for himself, Mr. WYDEN, and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. **ROYALTY RELIEF FOR PRODUCTION OF OIL AND GAS.**

(a) **PRICE THRESHOLDS.**—Notwithstanding any other provision of law, the Secretary of the Interior shall place limitations based on market price on the royalty relief granted under any lease for the production of oil or natural gas on Federal land (including submerged land) entered into by the Secretary of the Interior on or after the date of enactment of this Act.

(b) **CLARIFICATION OF AUTHORITY TO IMPOSE PRICE THRESHOLDS FOR CERTAIN LEASE SALES.**—Congress reaffirms the authority of the Secretary of the Interior under section 8(a)(1)(H) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(1)(H)) to vary, based on the price of production from a lease, the suspension of royalties under any lease subject to section 304 of the Outer Continental Shelf Deep Water Royalty Relief Act (Public Law 104-58; 43 U.S.C. 1337 note).

SA 4843. Mr. KENNEDY (for himself, Ms. COLLINS) submitted an amendment

intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:
SEC. 8109. (a) ARMY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, an additional amount of up to \$12,000,000 may be available for Program Element 0601103A for University Research Initiatives.

(b) NAVY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY”, an additional amount of up to \$13,000,000 may be available for Program Element 0601103N for University Research Initiatives.

(c) AIR FORCE SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE”, an additional amount of up to \$5,000,000 may be available for Program Element 0601103F for University Research Initiatives.

(d) SMART NATIONAL DEFENSE EDUCATION PROGRAM.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE”, an additional amount of up to \$9,000,000 may be available for Program Element 0601120D8Z for the SMART National Defense Education Program.

(e) DARPA UNIVERSITY RESEARCH PROGRAM IN COMPUTER SCIENCE AND CYBERSECURITY.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE”, up to \$6,000,000 may be available for Program Element 0601101E the Defense Advanced Research Projects Agency Program in Computer Science and Cybersecurity.

(f) SUPPLEMENT NOT SUPPLANT.—Amounts made available by subsections (a) through (e) for the purposes specified in such subsections are in addition to any other amounts made available by this Act for such purposes.

SA 4844. Mr. SESSIONS (for himself, Mr. WARNER, and Mr. NELSON of Nebraska) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:
SEC. 8109. Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY”, up to \$77,000,000 may be available for Advanced Conventional Strike Capability (PE #64327N) for the Conventional Trident Modification Program.

SA 4845. Mr. PRYOR (for himself, Mr. FEINGOLD) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:
SEC. 8109. Not later than March 31, 2007, the Secretary of Defense shall submit to the congressional defense committees a report set-

ting forth the assessment of the Secretary regarding the implementation of the new health care benefit to help the children of members of the Armed Forces who died on active duty, including—

(1) a statement of the reasons for the delay in implementation of such benefit;

(2) an analysis of the new call centers established to help survivors of such members obtain the benefits to which they are entitled; and

(3) an assessment of whether the various survivor benefit programs under the Department of Defense are adequately staffed to carry out their mission in a timely and efficient manner.

SA 4846. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 218, between lines 6 and 7, insert the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, up to \$10,000,000 may be available for the Future Medical Shelter System.

SA 4847. Mr. REED submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE”, up to \$3,000,000 may be available for Small and Medium Caliber Recoil Mitigation Technologies (PE #1160402BB).

SA 4848. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) REPORTS TO CONGRESS AND NOTICE TO PUBLIC ON EARMARKS IN FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE.—The Secretary of Defense shall submit to Congress, and post on the Internet website of the Department of Defense available to the public, each year information as follows:

(1) A description of each earmark of funds made available to the Department of Defense by this Act, including the location (by city, State, country, and congressional district if relevant) in which the earmarked funds are to be utilized, the purpose of such earmark (if known), and the recipient of such earmark.

(2) The total cost of administering each such earmark including the amount of such earmark, staff time, administrative expenses, and other costs.

(3) The total cost of administering all such earmarks.

(4) An assessment of the utility of each such earmark in meeting the goals of the De-

partment, set forth using a rating system as follows:

(A) A for an earmark that directly advances the primary goals of the Department or an agency, element, or component of the Department.

(B) B for an earmark that advances many of the primary goals of the Department or an agency, element, or component of the Department.

(C) C for an earmark that may advance some of the primary goals of the Department or an agency, element, or component of the Department.

(D) D for an earmark that cannot be demonstrated as being cost-effective in advancing the primary goals of the Department or any agency, element, or component of the Department.

(E) F for an earmark that distracts from or otherwise impedes that capacity of the Department to meet the primary goals of the Department.

(b) EARMARK DEFINED.—In this section, the term “earmark” means a provision of law, or a directive contained within a joint explanatory statement or report accompanying a conference report or bill (as applicable), that specifies the identity of an entity, program, project, or service, including a defense system, to receive assistance not requested by the President and the amount of the assistance to be so received.

SA 4849. Mr. BOND submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. Of the amounts available for the activity described on pages 149 through 159 of Volume VI, Book I of the Fiscal Year 2007 Congressional Budget Justification Book of the Intelligence Community, up to \$8,000,000 may be available for personnel for that activity.

SA 4850. Mr. LAUTENBERG (for himself, Mr. HARKIN, Ms. STABENOW, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. MENENDEZ, Ms. MIKULSKI, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 148, line 7, insert before the period at the end the following: “: *Provided*, That no funds appropriated or otherwise made available by this heading may be used to increase the cost sharing requirements established under paragraph (6) of section 1074g(a) of title 10, United States Code, for pharmaceutical agents available through retail pharmacies covered by paragraph (2)(E)(ii) of such section in excess of (1) \$3 in the case of generic agents, (2) \$9 in the case of formulary agents, or (3) \$22 in the case of nonformulary agents”.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the